



Press Release
Unity Small Finance Bank
Limited
December 12, 2023
Rating Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	112.26	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	112.26	-	-

Rating Rationale

Acuite has withdrawn the long-term rating on the Rs. 112.26 Cr. Principal Protected Market Linked Debentures of Unity Small Finance Bank Limited.

The rating is being withdrawn on account of a request received from the company and NOC received from the debenture trustee.

The rating withdrawal is in accordance with Acuite's policy on rating withdrawals.

The rating is not applicable as the NCD facility of Rs. 112.26 crore has been redeemed.

About the company

The Reserve Bank of India (RBI) issued a Small Finance Bank licence on October 12, 2021 to the consortium of the CFSL, lending arm of Centrum Group and Resilient Innovations Private Ltd. (RIPL) ('Bharat Pe'). The new SFB has been incorporated as 'Unity Small Finance Bank Limited (UNITY SFB)' on August 25, 2021 with registered office in New Delhi. As a part of arrangement to operationalize this license, all the assets and liabilities of CFSL and CML has been transferred to UNITY SFB for 51% stake with effect from November 1, 2021 while Bharat Pe has infused capital for its 49% stake. CFSL, is the promoter company for UNITY SFB and Bharat Pe with balance 49% stake is classified as 'Person acting in Concert'. PMC bank was amalgamated with Unity Small Finance Bank in accordance with the RBI scheme.

Unsupported Rating

Not Applicable

Analytical Approach

Not Applicable

Key Rating Drivers

Strength

Not Applicable

Weakness

Not Applicable

Rating Sensitivity

Not Applicable

All Covenants
Not Applicable

Liquidity Position
Not Applicable

Outlook: Not Applicable

Other Factors affecting Rating
Not Applicable

Key Financials

Particulars	Unit	FY23 (Actual)	FY22 (Actual)
Interest Income	Rs. Cr.	560.03	116.00
Interest Expense	Rs. Cr.	174.91	106.94
Profit After Tax (PAT)	Rs. Cr.	34.62	(149.61)
Deposits	Rs. Cr.	2684.63	3822.37
Net Advances	Rs. Cr.	4468.19	2419.13
Investments	Rs. Cr.	2435.80	2771.05
Capital Adequacy	(%)	49.41	63.71
Return on Average Assets (RoAA)	(%)	0.38	(2.97)
Gross NPA	(%)	45.83	62.94
Net NPA	(%)	0.34	8.14

Status of non-cooperation with previous CRA (if applicable):
Not Applicable

Any other information
None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Banks And Financial Institutions: <https://www.acuite.in/view-rating-criteria-45.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
12 Dec 2022	Proposed Principal Protected Market Linked Debenture	Long Term	262.74	ACUITE PP-MLD A- (Withdrawn)
	Principal Protected Market Linked Debenture	Long Term	112.26	ACUITE PP-MLD A- Stable (Reaffirmed)
11 Nov 2022	Principal Protected Market Linked Debentures	Long Term	112.26	ACUITE PP-MLD A- Stable (Reaffirmed)
	Proposed Principal Protected Market Linked Debentures	Long Term	262.74	ACUITE PP-MLD A- Stable (Reaffirmed)
11 Nov 2021	Principal Protected Market Linked Debentures	Long Term	375.00	ACUITE PP-MLD A- (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	INE0J1607115	Principal protected market linked debentures	26 Sep 2019	Not Applicable	28 Apr 2023	Complex	10.57	Not Applicable Withdrawn
Not Applicable	INE0J1607123	Principal protected market linked debentures	15 Nov 2019	Not Applicable	24 May 2023	Complex	10.39	Not Applicable Withdrawn
Not Applicable	INE0J1607131	Principal protected market linked debentures	30 Apr 2020	Not Applicable	08 Nov 2023	Complex	1.50	Not Applicable Withdrawn
Not Applicable	INE0J1607149	Principal protected market linked debentures	08 May 2020	Not Applicable	16 Nov 2023	Complex	6.65	Not Applicable Withdrawn
Not Applicable	INE0J1607164	Principal protected market linked debentures	27 Nov 2020	Not Applicable	16 Dec 2022	Complex	83.15	Not Applicable Withdrawn

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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