

December 15, 2025

## AU Small Finance Bank Limited: Rating withdrawn for PTCs issued under micro finance loan receivables securitisation transaction

### Summary of rating action

| Trust Name      | Instrument*    | Initial Rated Amount (Rs. crore) | Previous rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action           |
|-----------------|----------------|----------------------------------|-----------------------------------|----------------------------------|-------------------------|
| Mysuru Feb 2024 | Series A1 PTCs | 157.67                           | 19.34                             | 0.00                             | [ICRA]AA(SO); Withdrawn |

\*Instrument details are provided in Annexure I

### Rationale

ICRA has withdrawn the ratings for the pass-through certificates (PTCs) issued under a microfinance loan receivables transaction originated by AU Small Finance Bank Limited. Trustee has confirmed that there are no further payouts due to the PTC investors.

The key rating drivers, liquidity position, rating sensitivities have not been captured as the rating assigned to the instruments have been withdrawn. The previous detailed rating rationale of previous rating exercise is available at the following link: [Click here](#)

### Analytical approach

| Analytical Approach             | Comments   |
|---------------------------------|--|
| Applicable Rating Methodologies | <a href="#">ICRA's Policy on Withdrawal of Credit Rating</a> |
| Parent/Group Support            | Not Applicable   |
| Consolidation/Standalone        | Not Applicable   |

### About the originator

AU Small Finance Bank (AUSFB) is a scheduled commercial bank, which transitioned to a small finance bank (SFB) from an asset financing non-banking financial company (NBFC). While it was incorporated in 1996 as an NBFC, it commenced SFB operations on April 19, 2017, after receiving the final licence on December 20, 2016. The Reserve Bank of India (RBI) had granted in-principle approval in September 2015. AU was listed on the stock exchanges in July 2017 and was granted scheduled commercial bank status in November 2017.

During its early years of operations, AU(formerly AU Financiers (India) Limited) was primarily engaged in vehicle financing through funds raised from high-net-worth individuals in Jaipur. Over the years, it raised equity from private investors at regular intervals and expanded its product portfolio. AU has an established market position in Rajasthan and has expanded its operations to Maharashtra, Gujarat, and other states over the years. As of September 2025, it had 2,626 touchpoints across 21 states and 4 Union Territories.

AU operates in the retail asset financing segment, with the vehicle financing segment accounting for ~22% of its GLP as on September 2025

. Its product portfolio also includes micro business loans, home loans, loans to NBFCs, loans to real estate groups, business banking, agri-banking, credit cards, personal loans, etc. AU's liability product offerings include current accounts, savings accounts, recurring & term deposits, transaction banking and insurance covers, among others.

**Key financial indicators (Audited)**

| AU           | FY2024   | FY2025   | H1 FY2026 |
|--------------|----------|----------|-----------|
| Total Income | 12,252   | 18,590   | 10,413    |
| PAT          | 1,535    | 2,106    | 561       |
| Total Assets | 1,09,426 | 1,57,846 | 1,65,542  |
| CRAR%        | 20.06%   | 20.06%   | 18.78%    |
| Gross NPAs   | 1.67%    | 2.28%    | 2.41%     |

Source: Company, ICRA Research; Amount in Rs. crore

**Status of non-cooperation with previous CRA: Not applicable**
**Any other information: None**
**Rating history for past three years**

| Trust Name      | Instrument     | Current Rating (FY2026)         |                                | Chronology of Rating History for the Past 3 Years |              |                           |                           |                           |
|-----------------|----------------|---------------------------------|--------------------------------|---|--------------|---------------------------|---------------------------|---------------------------|
|                 |                | Initial amount rated (Rs.crore) | Amount Outstanding (Rs. crore) | Date and Rating in FY2026                         |              | Date and Rating in FY2025 | Date and Rating in FY2024 | Date and Rating in FY2023 |
|                 |                |                                 |                                | Dec 15, 2025                                      | May 19, 2025 | May 03, 2024              | Mar 04,2024               | -                         |
| Mysuru Feb 2024 | Series A1 PTCs | 157.67                          | 0.00                           | [ICRA]AA(SO) Withdrawn                            | [ICRA]AA(SO) | [ICRA]AA-(SO)             | Provisional [ICRA]AA-(SO) | -                         |

**Complexity level of the rated instrument**

| Trust Name      | Instrument     | Complexity Indicator |
|-----------------|----------------|----------------------|
| Mysuru Feb 2024 | Series A1 PTCs | Highly Complex       |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website [Click Here](#)

**Annexure I: Instrument details**

| Trust Name      | Instrument Type | Date of Issuance  | Coupon Rate | Maturity Date      | Amount Rated (Rs. crore) | Current Rating             |
|-----------------|-----------------|-------------------|-------------|--------------------|--------------------------|----------------------------|
| Mysuru Feb 2024 | Series A1 PTCs  | February 28, 2024 | 8.85%       | September 17, 2025 | 0.00                     | [ICRA]AA(SO);<br>Withdrawn |

Source: Company

**Annexure II: List of entities considered for consolidated analysis**

Not Applicable

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