

Rating Update

February 23, 2024 | Mumbai

Associated Alcohols And Breweries Limited

Update as on February 23, 2024

This update is provided in continuation of the rating rational below.

The key rating sensitivity factors for the rating include:

Upward factors:

- Penetration into different geographies leading to sustained revenue growth along with operating profitability at over 14-15% leading to more than expected net cash accruals
- Efficient working capital management, amid business growth, leading to lower reliance on external debt and an improved return on capital employed

Downward factors:

- Adverse regulations or highly competitive environment leading to fall in revenue below Rs 700 crore.
- Fall in operating profitability or stretch in the working capital cycle impacting the net cash accrual and liquidity.

CRISIL Ratings has a policy of keeping its accepted ratings under constant and ongoing monitoring and review. Accordingly, CRISIL Ratings seeks regular updates from companies on the business and financial performance. CRISIL Ratings is, however, awaiting adequate information from Associated Alcohols And Breweries Limited (AABL; part of the Associated Alcohols group) which will enable us to carry out the rating review. CRISIL Ratings will continue provide updates on relevant developments from time to time on this credit.

CRISIL Ratings also identifies information availability risk as a key credit factor in the rating assessment as outlined in its criteria 'Information Availability Risk in Credit Ratings'.

About the Company

Incorporated in 1989, AABL is the flagship company of the Indore-based Kedia group, promoted by the late Mr Bhagwati Prasad Kedia. The company is run by his sons Mr Anand Kedia and Mr Prasann Kedia supported by a professional board and management. The company produces a variety of alcohol, including rectified spirit, ENA, CL and IMFL, along with bottling for international brands such as Diageo. AABL has a distillery and bottling facility in Khargone, MP, with capacity of 45 MLPA. It is expanding its distillery capacity by 30 MLPA to cater to rising ethanol demand.

MEBL was incorporated in August 1999 by Kedia group and operates a brewery located at Memdi (MP). The company manufactures and sells beer under its own brands, Le Mont, Mount 600 and Dabang, and also undertakes contract manufacturing of beer for UBL. MEBL has installed capacity of 10 lakh hectoliters (120 lakh cases) of beer per annum. It has an assured offtake arrangement to the extent of 10 lakh cases per annum.

Note for Media:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL Ratings. However, CRISIL Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About CRISIL Ratings Limited (A subsidiary of CRISIL Limited, an S&P Global Company)

CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

CRISIL Ratings Limited ('CRISIL Ratings') is a wholly-owned subsidiary of CRISIL Limited ('CRISIL'). CRISIL Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: [TWITTER](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#)

CRISIL PRIVACY NOTICE

CRISIL respects your privacy. We may use your contact information, such as your name, address and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com.

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') that is provided by CRISIL Ratings Limited ('CRISIL Ratings'). To avoid doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this report does not create a client relationship between CRISIL Ratings and the user.

We are not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing our report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Ratings are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL Ratings assumes no obligation to update its opinions following publication in any form or format although CRISIL Ratings may disseminate its opinions and analysis. The rating contained in the report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way. CRISIL Ratings or its associates may have other commercial transactions with the entity to which the report pertains.

Neither CRISIL Ratings nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively, 'CRISIL Ratings Parties') guarantee the accuracy, completeness or adequacy of the report, and no CRISIL Ratings Party shall have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. EACH CRISIL RATINGS PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Ratings Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. Public ratings and analysis by CRISIL Ratings, as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any), are made available on its website, www.crisilratings.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee - more details about ratings by CRISIL Ratings are available here: www.crisilratings.com.

CRISIL Ratings and its affiliates do not act as a fiduciary. While CRISIL Ratings has obtained information from sources it believes to be reliable, CRISIL Ratings does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and/or relies on in its reports. CRISIL Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CRISIL Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For details please refer to: <https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html>.

Please note: This advisory should not be construed as a rating reaffirmation.

Rating criteria by CRISIL Ratings are generally available without charge to the public on the CRISIL Ratings public website, www.crisilratings.com. For latest rating information on any instrument of any company rated by CRISIL Ratings, you may contact the CRISIL Ratings desk at crisilratingdesk@crisil.com, or at (0091) 1800 267 1301.

This report should not be reproduced or redistributed to any other person or in any form without prior written consent from CRISIL Ratings.

All rights reserved @ CRISIL Ratings Limited. CRISIL Ratings is a wholly owned subsidiary of CRISIL Limited.

CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: <https://www.crisil.com/en/home/our-businesses/ratings/credit-ratings-scale.html>

Rating Rationale

June 05, 2023 | Mumbai

Associated Alcohols and Breweries Limited

Ratings reaffirmed at 'CRISIL A/Stable/CRISIL A1'; rated amount enhanced for Bank Debt

Rating Action

Total Bank Loan Facilities Rated	Rs.110 Crore (Enhanced from Rs.30 Crore)
Long Term Rating	CRISIL A/Stable (Reaffirmed)
Short Term Rating	CRISIL A1 (Reaffirmed)

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has reaffirmed its ratings on the bank facilities of Associated Alcohols and Breweries Ltd (AABL; part of the Associated Alcohols group) to 'CRISIL A/Stable/CRISIL A1'.

The rating continues to reflect group's established market position in Madhya Pradesh (MP), backed by extensive experience of its promoters, diversified product offering and presence of own brand etc. The rating also factors in group's healthy financial risk profile driven by low gearing and healthy debt protection metrics. These strengths are, however, constrained by susceptibility of profitability to volatility in the prices of agriculture-based raw materials, presence in the highly regulated alcoholic beverages industry, and geographical concentration in revenue.

Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of AABL and Mount Everest Beverages Ltd (MEBL). This is because both the companies, together referred as the Associated Alcohols group, operate in the same industry, and have operational and financial linkages.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- Group's established market position:** The group has an established position in the liquor and beer industry, backed by its longstanding presence and the promoters' extensive experience of over three decades and strong relationship with the supplier. The group manufactures rectified spirit (RS), extra neutral alcohol (ENA), country liquor (CL) and Indian-made foreign liquor (IMFL), and bottles vodka for large international brands. It also manufactures and sells beer under its own brands, Le Mont, Mount 600 and Dabang, and undertakes contract manufacturing of beer for United Breweries Ltd (UBL). This has given the promoters an understanding of the dynamics of the market and helped establish relationships with suppliers and customers. All these factors have aided steady growth in revenue. The group has already achieved turnover of around Rs. 1260 crore so far in fiscal 2023. Regular addition of new products, and capacity expansion will further enhance the market position and the business risk profile of the group.
- Healthy financial risk profile:** The capital structure is supported by estimated healthy network of Rs 480 crore and low total outside liabilities to tangible network ratio of less than 1 time for the three fiscals ended March 31, 2023. Debt protection metrics were comfortable due to low leverage and healthy profitability as indicated by interest coverage of 22-23 times and net cash accrual to adjusted debt ratio of 0.8-1 time in fiscal 2023. Though group intends to incur debt funded capex in fy23 and fy24, however, despite the said capex, the overall financial risk profile will continue to remain comfortable backed by expected accretion to reserve and stable operating profitability

Weaknesses:

- **Presence in the highly regulated alcoholic beverages industry:** Group operates in the Indian brewery and distillery industry. Various facets of the industry such as production, distribution, raw material availability and advertisements are highly regulated by the state and central governments. The industry operates based on licences provided by state governments. Sale and distribution of liquor products in both the wholesale and retail sectors are controlled by each state. Thus, government regulations have a significant effect on profitability, particularly in states where the government controls the pricing and any significant change in excise policy of respective state and subsequently its impact on the group will be closely monitored.
- **Susceptibility of profitability to volatility in the prices of agriculture-based raw materials:** The key raw materials include rice, maize and sorghum, prices of which are volatile and dependent on the extent of rainfall and government policies regarding prices and supply. The group has limited ability to immediately pass on raw material prices. For most of its liquor business (Indian-made Indian liquor and IMFL; accounting for around 65% of sales), prices are typically fixed for a year, as per state excise policies. This exposes the group to any sharp movement in raw material prices. Furthermore, the prices of packing material (15-20% of sales) depend on crude oil prices, which are volatile. Any significant movement in input prices and changes in government regulations regarding the pricing and supply of raw materials can impact profitability and will remain a key rating sensitivity factor.
- **Geographical concentration of revenue:** The group generates majority of its revenue from MP and is susceptible to regulatory actions by the state or state specific events, which can have a significant impact on revenue and profitability. The group will likely improve its market share outside MP and is looking to enter other key consumption markets such as Delhi, Uttar Pradesh, and Chhattisgarh. The management's focus on diversifying presence and revenue streams (entry into ethanol) will lower the geographical concentration in revenue in the long run and its sustenance to be closely monitored.

Liquidity: Strong

The group has strong liquidity backed by expected net cash accrual of Rs 120-130 crore against long-term debt obligation of Rs 10-12 crore. Cash and equivalent were at Rs 118 crore as of March 31' 2022, hence further aiding the liquidity. Working capital limit of around Rs 42 crore was low utilised only at 10.72% through March 2023. CRISIL Ratings believes cash flow and unutilised working capital lines will comfortably cover incremental working capital requirement and capacity expansion plans in the absence of any significant term debt obligation over the next two fiscals.

Outlook: Stable

CRISIL Ratings believes the Associated Alcohols group will continue to benefit from its established market position and sustain its healthy operating performance.

Rating Sensitivity factors

Upward factors:

- Penetration into different geographies leading to sustained revenue growth along with operating profitability at over 14-15% leading to more than expected net cash accruals
- Efficient working capital management, amid business growth, leading to lower reliance on external debt and an improved return on capital employed

Downward factors:

- Adverse regulations or highly competitive environment leading to fall in revenue below Rs 700 crore.
- Fall in operating profitability or stretch in the working capital cycle impacting the net cash accrual and liquidity.

About the Company

Incorporated in 1989, AABL is the flagship company of the Indore-based Kedia group, promoted by the late Mr Bhagwati Prasad Kedia. The company is run by his sons Mr Anand Kedia and Mr Prasann Kedia supported by a professional board and management. The company produces a variety of alcohol, including rectified spirit, ENA, CL and IMFL, along with bottling for international brands such as Diageo. AABL has a distillery and bottling facility in Khargone, MP, with capacity of 45 MLPA. It is expanding its distillery capacity by 30 MLPA to cater to rising ethanol demand.

MEBL was incorporated in August 1999 by Kedia group and operates a brewery located at Memdi (MP). The company manufactures and sells beer under its own brands, Le Mont, Mount 600 and Dabang, and also undertakes contract manufacturing of beer for UBL. MEBL has installed capacity of 10 lakh hectoliters (120 lakh cases) of beer per annum. It has an assured offtake arrangement to the extent of 10 lakh cases per annum.

Key Financial Indicators

As on / for the period ended March 31		2022	2021
Operating income	Rs crore	513	435
Reported profit after tax	Rs crore	60	57

PAT margin	%	11.85	13.31
Adjusted debt/adjusted networkth	Times	0.01	0.04
Interest coverage	Times	109.23	82.75

Status of non cooperation with previous CRA:

AABL has not cooperated with Credit Analysis & Research Ltd, which published their ratings as 'issuer not co-operating' through release dated 05-April-2023. The reason provided by them was non-furnishing of information by AABL for monitoring the ratings.

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 and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings' complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of the instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue size (Rs. Crore)	Complexity Level	Rating assigned with outlook
NA	Bank Guarantee	NA	NA	NA	4	NA	CRISIL A1
NA	Bank Guarantee	NA	NA	NA	1	NA	CRISIL A1
NA	Bank Guarantee	NA	NA	NA	6	NA	CRISIL A1
NA	Cash Credit	NA	NA	NA	3	NA	CRISIL A/Stable
NA	Cash Credit	NA	NA	NA	8	NA	CRISIL A/Stable
NA	Cash Credit	NA	NA	NA	6	NA	CRISIL A/Stable
NA	Proposed Fund-Based Bank Limits	NA	NA	NA	2	NA	CRISIL A/Stable
NA	Term Loan	NA	NA	Jul-28	80	NA	CRISIL A/Stable

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Associated Alcohols and Breweries Limited	100%	Operational and financial linkages; common management
Mount Everest Beverages Ltd	100%	Operational and financial linkages; common management

Annexure - Rating History for last 3 Years

	Current			2023 (History)		2022		2021		2020		Start of 2020
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	99.0	CRISIL A/Stable	04-01-23	CRISIL A/Stable	30-12-22	CRISIL A/Stable	01-11-21	CRISIL A-/Stable		--	Withdrawn
Non-Fund Based Facilities	ST	11.0	CRISIL A1	04-01-23	CRISIL A1	30-12-22	CRISIL A1	01-11-21	CRISIL A2+		--	Withdrawn

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Bank Guarantee	4	IDBI Bank Limited	CRISIL A1
Bank Guarantee	1	HDFC Bank Limited	CRISIL A1
Bank Guarantee	6	Kotak Mahindra Bank Limited	CRISIL A1
Cash Credit	3	IDBI Bank Limited	CRISIL A/Stable

Cash Credit	8	HDFC Bank Limited	CRISIL A/Stable
Cash Credit	6	Kotak Mahindra Bank Limited	CRISIL A/Stable
Proposed Fund-Based Bank Limits	2	Not Applicable	CRISIL A/Stable
Term Loan	80	HDFC Bank Limited	CRISIL A/Stable

This Annexure has been updated on 05-Jun-23 in line with the lender-wise facility details as on 01-Nov-21 received from the rated entity

Criteria Details

Links to related criteria
CRISILs Approach to Financial Ratios
Rating criteria for manufacturing and service sector companies
CRISILs Bank Loan Ratings - process, scale and default recognition
CRISILs Bank Loan Ratings
CRISILs Approach for Rating SRs
The Rating Process
Assessing Information Adequacy Risk
CRISILs Criteria for Consolidation

Media Relations	Analytical Contacts	Customer Service Helpdesk
Aveek Datta Media Relations CRISIL Limited M: +91 99204 93912 B: +91 22 3342 3000 AVEEK.DATTA@crisil.com	Nitin Kansal Director CRISIL Ratings Limited D: +91 124 672 2154 nitin.kansal@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com
Prakruti Jani Media Relations CRISIL Limited M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com	Gaurav Arora Associate Director CRISIL Ratings Limited B: +91 124 672 2000 gaurav.arora@crisil.com	For Analytical queries: ratingsinvestordesk@crisil.com
Rutuja Gaikwad Media Relations CRISIL Limited B: +91 22 3342 3000 Rutuja.Gaikwad@ext-crisil.com	VISHAL CHAUHAN Senior Rating Analyst CRISIL Ratings Limited B: +91 124 672 2000 VISHAL.CHAUHAN@crisil.com	

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL Ratings. However, CRISIL Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About CRISIL Ratings Limited (A subsidiary of CRISIL Limited, an S&P Global Company)

CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

CRISIL Ratings Limited ('CRISIL Ratings') is a wholly-owned subsidiary of CRISIL Limited ('CRISIL'). CRISIL Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: [TWITTER](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#)

CRISIL PRIVACY NOTICE

CRISIL respects your privacy. We may use your contact information, such as your name, address and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com.

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') that is provided by CRISIL Ratings Limited ('CRISIL Ratings'). To avoid doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this report does not create a client relationship between CRISIL Ratings and the user.

We are not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing our report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to

sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Ratings are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL Ratings assumes no obligation to update its opinions following publication in any form or format although CRISIL Ratings may disseminate its opinions and analysis. The rating contained in the report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way. CRISIL Ratings or its associates may have other commercial transactions with the entity to which the report pertains.

Neither CRISIL Ratings nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively, 'CRISIL Ratings Parties') guarantee the accuracy, completeness or adequacy of the report, and no CRISIL Ratings Party shall have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. EACH CRISIL RATINGS PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Ratings Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. Public ratings and analysis by CRISIL Ratings, as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any), are made available on its website, www.crisilratings.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee - more details about ratings by CRISIL Ratings are available here: www.crisilratings.com.

CRISIL Ratings and its affiliates do not act as a fiduciary. While CRISIL Ratings has obtained information from sources it believes to be reliable, CRISIL Ratings does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and/or relies on in its reports. CRISIL Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CRISIL Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For details please refer to: <https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html>.

Rating criteria by CRISIL Ratings are generally available without charge to the public on the CRISIL Ratings public website, www.crisilratings.com. For latest rating information on any instrument of any company rated by CRISIL Ratings, you may contact the CRISIL Ratings desk at crisilratingdesk@crisil.com, or at (0091) 1800 267 1301.

This report should not be reproduced or redistributed to any other person or in any form without prior written consent from CRISIL Ratings.

All rights reserved @ CRISIL Ratings Limited. CRISIL Ratings is a wholly owned subsidiary of CRISIL Limited.

CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: <https://www.crisil.com/en/home/our-businesses/ratings/credit-ratings-scale.html>