

CONFIDENTIAL

RL/THEG/300925/BLR/1122/45725
November 03, 2022

Mr. V. A. George
Thejo Engineering Limited
41, Cathedral Road,
VDS House,
Chennai - 600086



Dear Mr. V. A. George,

Re: Review of CRISIL Ratings on the bank facilities of Thejo Engineering Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please find in the table below the ratings outstanding for the debt instruments/facilities of the company, and the rating actions by CRISIL Ratings on the ratings as on date.

Total Bank Loan Facilities Rated	Rs.125 Crore (Enhanced from Rs.112.5 Crore)
Long Term Rating	CRISIL A/Stable (Upgraded from 'CRISIL A-/Stable')
Short Term Rating	CRISIL A1 (Upgraded from 'CRISIL A2+')

(Bank-wise details as per Annexure I)

As per our Rating Agreement, CRISIL Ratings would disseminate the ratings, along with the outlook, through its publications and other media, and keep the ratings, along with the outlook, under surveillance over the life of the instrument/facility. CRISIL Ratings reserves the right to withdraw, or revise the ratings, along with the outlook, at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the ratings. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

In the event of the company not availing the proposed facilities within a period of 180 days from the date of this letter, a fresh letter of revalidation from CRISIL Ratings will be necessary.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

NAREN KARTIC.K
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301

Annexure 1 - Bank-wise details of various facility classes (outstanding facilities)

S.No.	Bank Facility	Bank	Amount (Rs. in Crore)	Outstanding Rating
1	Bank Guarantee	HDFC Bank Limited	8.5	CRISIL A1
2	Bank Guarantee	Citibank N. A.	2	CRISIL A1
3	Bank Guarantee	State Bank of India	7	CRISIL A1
4	Bank Guarantee	Axis Bank Limited	4	CRISIL A1
5	Cash Credit	Axis Bank Limited	5.5	CRISIL A/Stable
6	Cash Credit	State Bank of India	15.65	CRISIL A/Stable
7	Cash Credit	HDFC Bank Limited	18.7	CRISIL A/Stable
8	Cash Credit	Citibank N. A.	6.9	CRISIL A/Stable
9	Letter of Credit	HDFC Bank Limited	4	CRISIL A1
10	Letter of Credit	State Bank of India	5	CRISIL A1
11	Letter of Credit	Citibank N. A.	2	CRISIL A1
12	Letter of Credit	Axis Bank Limited	2	CRISIL A1
13	Letter of Credit	HDFC Bank Limited	3.5	CRISIL A1
14	Proposed Long Term Bank Loan Facility	--	7.65	CRISIL A/Stable
15	Proposed Term Loan	Axis Bank Limited	1	CRISIL A/Stable
16	Standby Letter of Credit	Citibank N. A.	8	CRISIL A1
17	Term Loan	HDFC Bank Limited	23	CRISIL A/Stable
18	Term Loan	State Bank of India	0.6	CRISIL A/Stable
	Total		125	

2-4,9,10,12,13. 100% Two-way interchangeability/sub-limit between letter of credit and bank guarantee

8. Sub-limit available for availing as LC/BG

15,18. Guaranteed emergency credit line

Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301

Rating Rationale

November 02, 2022 | Mumbai

Thejo Engineering Limited

Ratings upgraded to 'CRISIL A/Stable/CRISIL A1'; Rated amount enhanced for bank debt

Rating Action

Total Bank Loan Facilities Rated	Rs.125 Crore (Enhanced from Rs.112.5 Crore)
Long Term Rating	CRISIL A/Stable (Upgraded from 'CRISIL A-/Stable')
Short Term Rating	CRISIL A1 (Upgraded from 'CRISIL A2+')

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 upgraded its ratings on the bank facilities of Thejo Engineering Limited (TEL) to '**CRISIL A/Stable/CRISIL A1**' from '**CRISIL A-/Stable/CRISIL A2+**'

The rating action reflects CRISIL Ratings' expectations of continued healthy improvement in TEL's business performance over the medium term driven by healthy demand for its products from end users comprising players from the mining, power, infrastructure, steel, and cement sectors. The company is well positioned to capitalise on the good demand prospects for material handling products and revenues are expected to register 8-10% growth over the medium term, given its established product basket, diversified segmental presence and geographical presence (India, Australia, Latin America, Middle East) and healthy operating capabilities, besides enhanced production capacities. The company also has a strong order book of ~Rs.200 crore as of October 2022 out of which about Rs. 120 crores is executable in fiscal 2023.

In fiscal 2022, TEL's revenue registered an on-year growth of 30% on-year despite challenging conditions in the first half of the fiscal, supported by strong performance of its services segment and stable performance of its products segment.

TEL's operating margins are expected to be above 15% over the medium term driven by stable performance of Thejo India and better profitability of Thejo Australia. Earlier, despite increase in input prices, the company's operating margins increased on-year by 80 basis points to 16.4% in fiscal 2022, supported by cost saving measures and better margins in the products segment.

The rating also factors the company's continuing strong financial risk profile supported by annual accrual of over Rs 50 crore, and comfortable debt protection metrics, with gearing below 0.1 time as on March 31, 2022. Gearing will continue to remain at comfortable levels of below 0.20 times over the medium term despite debt funded capital expenditure (capex) pertaining to capacity expansion in moulding plant undertaken by the company in fiscal 2023.

The ratings continue to reflect TEL's established position in the material handling segment, diverse revenue profile, and healthy operating capabilities as well as financial risk profile. These strengths are partially offset by modest though improving scale of operations, susceptibility to cyclicality in end-user segments and large working capital requirement.

Analytical Approach

To arrive at the ratings, CRISIL Ratings has combined the business and financial risk profiles of TEL and its subsidiaries: Thejo Hatcon Industrial Services Company, Saudi Arabia (Thejo Hatcon), Thejo Australia Pty Ltd, Australia (Thejo Australia), Thejo Brasil Comercio E Servicos Ltda, Brazil (Thejo Brazil) and Thejo Engineering Latinoamerica SpA, Chile (Thejo Chile). This is because the entities, collectively referred to as TEL group, have strong operational linkages and fungible cash flows.

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:

- Established position and diversified revenue:** TEL is among a handful of recognised players in the organised services segment in India, and has a leading market position in the domestic conveyor services market. Furthermore, having started as a services company, it has gradually diversified its revenue by expansion into sale of related products. Currently, sales from the services segment contribute around 57% to consolidated revenues, and the products segment accounts for the remaining. The revenue diversity is further supported by export, both directly and through subsidiaries, and presence in diverse geographies helps steady growth in revenues. The company also supplies its products to end-

users across cement, steel, mining, power, infrastructure sector, which helps it mitigate cyclicity in one particular sector.

Also, with TEL developing expertise in servicing conveyor belts and other material handling equipment initially, it is also manufacturing conveyor components and rubber moulded components for various equipment used in the core sector industries as a backward integration effort. This has enabled cross-selling through O&M contracts aiding in steady revenue streams from both products and services

- **Healthy operating capabilities:** TEL has established strong operating capabilities, which along with continuing cost optimisation efforts has enabled it to increase operating margins to just over 16% in fiscal 2022, despite steep rise in input costs. Focus on high margin product business has also helped margins. Operating margins are expected to sustain at over 15-16% over the medium term with increase in scale of operations post completion of capex being undertaken by the company at its Ponneri(Chennai) unit where moulding capacity is increasing to 3600 tonnes per annum from 2400 tonnes p.a. at a cost of ~Rs.40-45 crore.

The company also has a strong in-house R&D team which focuses on developing new products and continuous improvement of existing products and this has helped develop diverse product ranges across sectors.

- **Healthy financial risk profile:** TEL's financial risk profile is healthy, as reflected in healthy net worth of over Rs.200 crore, and low debt on its balance sheet. Hence, debt protection metrics are comfortable; gearing continues to remain below 0.1 times as on March 31,2022, interest coverage and net cash accrual to total debt ratios were at over 22 times and 3 times, respectively, in fiscal 2022. The debt metrics should remain comfortable given healthy cash generation, despite mainly debt funded capex being undertaken by the company in fiscal 2023. The financial risk profile though would remain sensitive to any large debt funded acquisition, in the domestic and international markets.

Weaknesses:

- **Moderate scale of operations and susceptibility to cyclicity in end-user segments:** Although TEL is an established player in its niche product segments, its scale remains moderate though improving, compared with larger players in the engineering segment. Furthermore, end-user industries are cyclical, exposing TEL's operations to the risk of sluggish demand during an economic slowdown, particularly if clients defer capex or scale down production. Additionally, as the clients are large players, bargaining power and ability to collect receivables on time may be constrained during an uncertain economic environment.
- **Large working capital requirement:** Operations are working capital intensive, as reflected in high gross current assets of over 191 days as on March 31, 2022, which is a general norm considering the company's presence in the engineering industry and exposure to large clients, including government-owned entities. However, the gross current asset (GCA) days have reduced to 191 days as on March 31, 2022, from 205 days as on March 31, 2021, following reduction in debtor days from 105 days to 86 days. Nevertheless, given the inherent large working capital requirement, its prudent management will remain critical.

Liquidity: Adequate

TEL enjoys strong liquidity driven by expected cash accrual of more than Rs 60 crore over the medium term and cash and equivalent of Rs 51 crore as on March 31, 2022. Fund-based limit of Rs 45.75 crore was utilised less than 1% on average over the 12 months through September 2022. Internal accruals will comfortably cover annual debt obligations of Rs.4-6 crore and capex incremental working capital requirement. The company is expected to fund its ongoing capacity expansion, mainly with term debt. With low gearing, TEL will still have sufficient headroom to raise additional debt if required.

Outlook: Stable

TEL will continue to benefit from healthy orders and demand prospects for material handling products, steady operating profitability and generate good cashflows from operations. The company is also expected to sustain its healthy financial risk profile over the medium term.

Rating Sensitivity factors

Upward Factors

- Better than anticipated revenue growth, and operating profitability in excess of 15-16%, leading to higher cash generation
- Sustenance of healthy financial risk profile and liquidity position, through prudent capital spending and working capital management

Downward Factors

- Sluggish business performance impacting operating profitability (less than 9-10%), and cash generation
- Major debt funded capex or acquisitions or stretch in working capital, leading to significant deterioration of debt protection metrics.
- Significant depletion of cash surpluses

About the Company

Incorporated in 1986 and based in Chennai, TEL provides installation, regular maintenance and operation and maintenance (O&M) services for conveyor belt systems. It also designs, manufactures and supplies a wide variety of rubber and polyurethane products for belt cleaning, spillage control, enhanced flow of material, impact and abrasion protection, screening, and rubber and polyurethane linings. In India, TEL has five manufacturing units (all near Chennai), 11 branch offices and 40 site offices in 10 states. TEL has a DSIR registered in-house R&D centre at Chennai.

Outside India, TEL operates in Saudi Arabia (Thejo Hatcon Industrial Services Company), Australia (Thejo Australia Pty Ltd), Brazil (Thejo Brasil Comercio E Servicos Ltda) and Chile (Thejo Engineering Latinoamerica SpA) through its subsidiaries. TEL holds 51% equity stake in Thejo Hatcon, with 49% being held by Bahrain-based Hatcon Industrial Services Company. TEL holds 74% equity stake in Thejo Australia, while Japan-based Bridgestone Corporation (a global tyre and rubber company), through its subsidiary (Bridgestone Mining Solution Australia Pty Ltd, Australia), holds the remaining 26%. In Thejo Brazil and Thejo Chile, TEL holds 99.99% and 99.86% stake, respectively. Thejo Brazil and Thejo Chile primarily sell bulk material handling products.

TEL is promoted by Mr K J Joseph and Mr Thomas John, who started the company to provide servicing operations to conveyor belt systems. The promoters' sons hold board and key management positions in the company. TEL is the first company to be listed on EMERGE - SME Exchange of the NSE. It has a diversified Board with a majority of Independent Directors. Since 2008, overall management is being led Mr V A George, executive chairman, who has experience of more than three decades in corporate and banking sectors.

Key Financial Indicators (consolidated)

Particulars	Unit	2022	2021
Revenue	Rs crore	425	328
Profit after tax (PAT)	Rs crore	43	30
PAT margin	%	10	9.3
Adjusted debt/ adjusted networth	Times	0.09	0.07
Interest coverage	Times	22.14	18.05

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.crisil.com/complexity-levels. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity Level	Rating assigned with outlook
NA	Bank Guarantee*	NA	NA	NA	7.0	NA	CRISIL A1
NA	Bank Guarantee*	NA	NA	NA	4	NA	CRISIL A1
NA	Bank Guarantee*	NA	NA	NA	2	NA	CRISIL A1
NA	Bank Guarantee	NA	NA	NA	8.5	NA	CRISIL A1
NA	Cash Credit^	NA	NA	NA	6.9	NA	CRISIL A/Stable
NA	Cash Credit	NA	NA	NA	39.85	NA	CRISIL A/Stable
NA	Letter of Credit*	NA	NA	NA	5.0	NA	CRISIL A1
NA	Letter of Credit*	NA	NA	NA	2	NA	CRISIL A1
NA	Letter of Credit	NA	NA	NA	2	NA	CRISIL A1
NA	Letter of Credit*	NA	NA	NA	7.5	NA	CRISIL A1
NA	Standby Letter of Credit	NA	NA	NA	8.0	NA	CRISIL A1
NA	Term Loan\$	NA	NA	Feb-25	0.6	NA	CRISIL A/Stable
NA	Term Loan	NA	NA	Sep-26	3	NA	CRISIL A/Stable
NA	Term Loan	NA	NA	Sep-27	20	NA	CRISIL A/Stable
NA	Proposed Term Loan\$	NA	NA	NA	1.0	NA	CRISIL A/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	7.65	NA	CRISIL A/Stable

*100% Two-way interchangeability/sub-limit between letter of credit and bank guarantee

\$ Guaranteed emergency credit line

^Sub-limit available for availing as LC/BG

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Thejo Hatcon Industrial Services Company, Saudi Arabia	Full	Subsidiary and business linkages
Thejo Australia Pty Ltd, Australia	Full	Subsidiary and business linkages
Thejo Brasil Comercio E Servicos Ltda, Brazil	Full	Subsidiary and business linkages
Thejo Engineering Latinoamerica SpA, Chile	Full	Subsidiary and business linkages

Annexure - Rating History for last 3 Years

Instrument	Current			2022 (History)		2021		2020		2019		Start of 2019
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	79.0	CRISIL A/Stable		--	30-09-21	CRISIL A2+ / CRISIL A-/Stable	25-09-20	CRISIL A2+ / CRISIL A-/Stable		--	CRISIL BBB+/Stable / CRISIL A2
			--		--		--	08-01-20	CRISIL BBB+/Positive / CRISIL A2		--	CRISIL BBB+/Positive
Non-Fund Based Facilities	ST	46.0	CRISIL A1		--	30-09-21	CRISIL A2+	25-09-20	CRISIL A2+		--	CRISIL A2
			--		--		--	08-01-20	CRISIL A2		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Bank Guarantee	8.5	HDFC Bank Limited	CRISIL A1
Bank Guarantee ^{&}	7	State Bank of India	CRISIL A1
Bank Guarantee ^{&}	4	Axis Bank Limited	CRISIL A1
Bank Guarantee ^{&}	2	Citibank N. A.	CRISIL A1
Cash Credit ^{\$}	6.9	Citibank N. A.	CRISIL A/Stable
Cash Credit	18.7	HDFC Bank Limited	CRISIL A/Stable
Cash Credit	5.5	Axis Bank Limited	CRISIL A/Stable
Cash Credit	15.65	State Bank of India	CRISIL A/Stable
Letter of Credit ^{&}	4	HDFC Bank Limited	CRISIL A1
Letter of Credit ^{&}	3.5	HDFC Bank Limited	CRISIL A1
Letter of Credit ^{&}	5	State Bank of India	CRISIL A1
Letter of Credit ^{&}	2	Axis Bank Limited	CRISIL A1
Letter of Credit	2	Citibank N. A.	CRISIL A1
Proposed Long Term Bank Loan Facility	7.65	Not Applicable	CRISIL A/Stable
Proposed Term Loan ^{<}	1	Axis Bank Limited	CRISIL A/Stable
Standby Letter of Credit	8	Citibank N. A.	CRISIL A1
Term Loan ^{<}	0.6	State Bank of India	CRISIL A/Stable
Term Loan	23	HDFC Bank Limited	CRISIL A/Stable

This Annexure has been updated on 02-Nov-2022 in line with the lender-wise facility details as on 30-Sep-2021 received from the rated entity.

& - 100% Two-way interchangeability/sub-limit between letter of credit and bank guarantee

\$ - Sub-limit available for availing as LC/BG

< - Guaranteed emergency credit line

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
Rating Criteria for Engineering Sector
CRISILs Criteria for rating short term debt
CRISILs Criteria for Consolidation

Media Relations	Analytical Contacts	Customer Service Helpdesk
Aveek Datta Media Relations CRISIL Limited M: +91 99204 93912	Anuj Sethi Senior Director CRISIL Ratings Limited B:+91 44 6656 3100	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301 For a copy of Rationales / Rating Reports:

B: +91 22 3342 3000
AVEEK.DATTA@crisil.com

Prakruti Jani
Media Relations
CRISIL Limited
M: +91 98678 68976
B: +91 22 3342 3000
PRAKRUTI.JANI@crisil.com

Rutuja Gaikwad
Media Relations
CRISIL Limited
B: +91 22 3342 3000
Rutuja.Gaikwad@ext-crisil.com

anuj.sethi@crisil.com

Poonam Upadhyay
Director
CRISIL Ratings Limited
D:+91 22 3342 3386
poonam.upadhyay@crisil.com

ARUN KUMAR
Senior Rating Analyst
CRISIL Ratings Limited
B:+91 44 6656 3100
ARUN.KUMAR1@crisil.com

CRISILratingdesk@crisil.com

For Analytical queries:
ratingsinvestordesk@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)

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 global analytical company providing ratings, research, and risk and policy advisory services. We are India's leading ratings agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations.

CRISIL 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>