

27th April, 2024

To, The Secretary, Bombay Stock Exchange Ltd (BSE) Phiroze Jheejheebhoy Towers, Dalal Street, Mumbai - 400 001. Scrip Code - 543308 ISIN: INE967H01017	To, The Secretary, National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, 'G' Block Bandra - Kurla Complex, Bandra (E) Mumbai - 400 051. Symbol - KIMS ISIN: INE967H01017
--	---

Dear Sir/ Madam

Sub: Intimation of upgrade in Credit rating by CRISIL Ratings Limited

Pursuant to Regulation 30 read with Part A of Schedule III to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and SEBI Circular dated July 13, 2023, we wish to inform you that CRISIL Ratings Limited has upgraded the rating of **M/s Krishna Institute of Medical Sciences Limited** ('The Company') as follows:

Long Term Rating	CRISIL AA/Stable (upgraded from “CRISIL AA-/Positive”)
Short Term Rating	CRISIL A1+(Reaffirmed)

The Company received this information about the revision in the credit rating of the Company on Friday, 26.04.2024 @ 17.55 P.M.

This intimation is also uploaded on the Company's website at: <https://www.kimshospitals.com/investors/> > **Disclosures under Regulation 46 of the SEBI (LODR) Regulations, 2015 > Credit Rating.**

We request you to kindly take this intimation and attached CRISIL Rating report on record.

Thanking you,

Yours truly

For Krishna Institute of Medical Sciences Limited

MANTHA
SHANKER
UMA
Digitally signed by
MANTHA SHANKER
UMA
Date: 2024.04.27
10:50:15 +05'30'

Umashankar Mantha
Company Secretary & Compliance Officer

Encl: As above

Rating Rationale

April 26, 2024 | Mumbai

Krishna Institute of Medical Sciences Limited

Long-term rating upgraded to 'CRISIL AA/Stable'; Short-term rating reaffirmed

Rating Action

Total Bank Loan Facilities Rated	Rs.170 Crore
Long Term Rating	CRISIL AA/Stable (Upgraded from 'CRISIL AA-/Positive')
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 upgraded its rating on the long-term bank facilities of Krishna Institute of Medical Sciences Ltd (KIMS) to '**CRISIL AA/Stable**' from 'CRISIL AA-/Positive' and reaffirmed its 'CRISIL A1+' rating on the short-term facilities.

The upgrade in rating on the long term debt facilities reflects sustained healthy revenue growth of 22% compound annual growth rate (CAGR) between fiscals 2020 and 2024, while maintaining strong profitability above 25%. The performance has been supported by the KIMS group's established market position in Telangana and Andhra Pradesh (AP), sound operational efficiencies as reflected in good occupancy levels and high average revenue per operating bed (ARPOB), leading to healthy operating profitability. Furthermore, healthy cash generation and prudently funded bed expansion has enabled the company's debt protection metrics to remain healthy in fiscal 2024. CRISIL Ratings expects KIMS to sustain its strong financial risk profile over the medium term.

Revenue is estimated to have grown 8-10% on-year in fiscal 2024 to over Rs 2,450 crore, driven by increase in occupancy levels and healthy ARPOB. Better growth in the AP cluster, supported by addition of new specialties and turnaround in performance of Spanv Medisearch Lifesciences Pvt Ltd, Nagpur (SMLPL; acquired in August 2022) resulted in healthy revenue growth. Operating profitability remained flat at around 26% on-year. While the operating margin for Telangana and AP clusters dropped due to case mix and postponement of elective surgeries due to elections, it was offset by improvement in profitability of SMLPL to 13% in the first nine months of fiscal 2024, compared to 7.5% for fiscal 2023.

Over the medium term, revenue growth is expected to continue in double digits, driven by stable performance of existing hospitals, ramp up of new hospitals that will add 1,000 beds in the next 3-4 fiscals, and the company's established market position in Telangana and AP. Overall operating profitability is expected to moderate to 23-25% in the near to medium term, but remain healthy despite start-up costs in newly commissioned hospitals.

The KIMS group's financial risk profile remains healthy, as indicated by improving annual cash generation, sizeable network (estimated at over Rs 1,900 crore as on March 31, 2024) and comfortable debt protection metrics, despite pursuing organic and inorganic expansion. KIMS, at a consolidated level, incurred capex of Rs 600-650 crore in fiscal 2024 towards construction of a new facility at its subsidiary, Sarvejana Healthcare Pvt Ltd (SHPL; rated 'CRISIL AA-/Stable'), and greenfield projects in Bangalore, Nashik and Mumbai. About Rs 300 crore of debt was added to fund these projects. Despite the addition of debt, the debt protection metrics remained healthy in fiscal 2024 with gearing estimated at 0.40 time and ratio of debt to earnings before interest, tax, depreciation and amortization (EBITDA) ratio at 1.2 times.

KIMS has aggressive plans of almost Rs 2,000 crore, spread over fiscals 2024-2027. The total bed capacity is expected to exceed 5000 beds by fiscal 2027, from 3,975 beds in March 2024. These expansion plans will be partly funded by debt, which will result in debt to EBITDA ratio peaking at 1.5-1.7 times during fiscals 2025-26. Gearing is expected to remain below 0.7-0.8 time over the expansion phase. However, the debt protection metrics are expected to remain comfortable and are likely to improve thereafter.

The ratings continue to reflect the KIMS group's established market position in Telangana and AP through its network of nine hospitals under the KIMS Hospital brand and sound operational efficiencies, as reflected in good occupancy levels and high ARPOBD, also leading to healthy operating profitability. The ratings are also supported by the company's strong

financial risk profile, and adequate liquidity. These strengths are partially offset by high dependence on the flagship hospital in Secunderabad for revenue and profit, geographical concentration of its hospitals and regulatory risks associated with the hospital sector.

Analytical Approach

For arriving at its ratings, CRISIL Ratings has fully consolidated the business and financial risk profiles of KIMS and its subsidiaries, which are strategically important to KIMS and have a significant degree of operational integration with it. These companies are together referred to as the KIMS group. CRISIL Ratings considers these entities as being strategic to KIMS in view of their common line of business and management and strong integration with KIMS' operations. Furthermore, the group allows transfer of funds among entities depending upon the requirement.

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 market position:** Through its network of 11 hospitals under the KIMS Hospital brand, the group has an established presence in the South India market. The group also has a long operational track record of 16 years in the tertiary and the quaternary healthcare segments and benefits from the strong brand reputation and the extensive experience of the group's promoters in the healthcare industry. This is further enhanced by addition of three hospitals (two hospitals of SHPL and one hospital of SMLPL) in fiscal 2023.

In terms of specialties, cardiac treatments account for the highest share of revenue at ~20%, followed by neurosciences at ~12% and renal sciences at ~9%. With acquisition of SHPL, which is primarily a orthopedics player, the share of revenue from orthopedics increased to 14% compared to 8% before the pandemic. The balance is spread across oncology, mother and child, gastric sciences and others.

The group, with a combined bed capacity of 3,975 beds as of March 2024, is one of the leading players in the tertiary care segment in AP and Telangana. The group's Secunderabad facility is one of the largest single location hospitals with ~1,000 beds, offering multi-specialties. Addition of SHPL has further enhanced the market presence of the KIMS group in Hyderabad, which is a core market.

- **Sound operating efficiency:** The group has reported above-average operating profitability of more than 25% (barring an exceptional 31.8% in fiscal 2022, which was buoyed by high occupancy during the second wave of the Covid-19 pandemic) despite constant capacity addition, including through acquisitions. The policy of providing equity partnerships to its key doctors has enabled the company to attract talent in tier II locations and maintain low attrition levels and tight control over costs. These factors, coupled with prudent capital spending, have helped KIMS to turn around acquired hospitals as well as achieve break-even at newer hospitals in a short span of time, translating into healthy operating capabilities. Despite bed additions both through organic expansions as well as strategic acquisitions, the occupancy levels have improved to 73% in the first nine months of fiscal 2024 compared to 63% in fiscal 2015. The ARPOBD has also risen to Rs 31,186 from Rs 16,775 during the same period indicating improvement in services provided. The presence of highly qualified professionals enables a low average length of stay (4.14 days during the first nine months of fiscal 2024), which is comparable to large hospital chains.

Healthy profitability and increasing occupancy levels, have enabled steady improvement in the group's return on capital employed (RoCE), which stood at above 25% in fiscal 2023, compared with 13-15% in earlier years. With initial losses from newly set up hospitals, the operating margin may moderate to 23-25% over the medium term, but remain healthy. The RoCE will also moderate in the near term due to aggressive capex and initial losses in new hospitals but will continue to remain at 13-15% levels.

- **Healthy financial risk profile:** The financial risk profile has improved over time, as reflected in sizeable network (estimated at over Rs 1,900 crore by March 31, 2024) and comfortable debt protection metrics. The group has a demonstrated track record of maintaining prudence in its expansion plans despite steady organic and strategic inorganic expansions since fiscal 2015. The company incurred capex of Rs 600-650 crore towards construction of a new facility at its subsidiary, SHPL, and greenfield projects in Bangalore, Nashik and Mumbai in fiscal 2024. About Rs 300 crore of debt was added to fund these projects. Despite the addition of debt, the debt protection metrics are expected to remain healthy in fiscal 2024 with gearing estimated at 0.40 time and ratio of debt to EBITDA at 1.2 times.

The company is expected to incur capex of Rs 1,800-2,000 crore between fiscals 2024-2027, for enhancing existing capacities, as well as for greenfield hospitals in Bengaluru, Nashik, and Mumbai. The total bed capacity is expected to exceed 5000 beds by fiscal 2027 from 3,975 beds in March 2024. These expansion plans will be partly funded by debt, which will result in debt to EBITDA ratio peaking at 1.5-1.7 times during fiscals 2025-26. Gearing is expected to remain below 0.7-0.8 time over the expansion phase. Any additional capex, resulting in higher-than-expected leverage metrics will remain monitorable.

Weaknesses:

- **Revenue and geographical concentration risks:** The group has had a high reliance on its flagship hospital in Secunderabad, which used to contribute to 60% of revenue and 66% of EBITDA in fiscal 2018. With steady organic and inorganic expansion, mainly acquisition of SHPL and SMLPL, this has reduced the revenue dependence to 39% in fiscal 2023 and EBITDA contribution to more than 47% in fiscal 2023.

While the contribution of the Secunderabad unit has reduced in recent years, the flagship hospital is likely to continue to be the key revenue and profitability driver (contributing to 40-50% of overall EBITDA) over the medium term exposing the group to significant revenue and geographical concentration risks. Besides, a sizeable portion of the company's other hospitals are in Telangana and AP (over 90% of its revenue), which renders operations partly vulnerable to any regulations imposed by authorities in these states. The geographical diversification is modest compared to other peers in the healthcare space.

Even as the group continues to expand in existing markets (around 250 beds at Kondapur-Secunderabad and Vizag hospitals), it is trying to diversify geographically by building or acquiring new hospitals in neighbouring states of Karnataka (Bengaluru) and Maharashtra (Nashik) as well as in Mumbai; in addition to the recently acquired SMLPL based in Nagpur, Maharashtra.

Land parcels are tied up for Bengaluru and Nashik projects while the building has been acquired in Mumbai. Successful completion of these projects could result in over 1,000 additional beds. The Nashik hospital will begin operations in early fiscal 2025 while Bengaluru and Mumbai will begin operations in early fiscal 2026. However, there are already established players in these geographies, and the ability of KIMS to ramp up occupancy levels after completion of the project, will be critical to reduce revenue dependence on its flagship hospital.

- **Exposure to regulatory risk:** The group, like other hospital chains, remains exposed to regulations which may come into play, as introduced. For instance, the performance of private hospitals was significantly impacted on account of price caps imposed on cardiac stents and knee implants in the last quarter of fiscal 2017. Besides, the cap on cash transactions up to Rs 2 lakh also caused temporary challenges when introduced in fiscal 2018. In addition, the recent Supreme Court proposal to standardize the prices for different procedures across public and private hospitals, if implemented, will be monitorable.

Liquidity: Strong

Liquidity is supported by unencumbered cash balance of over Rs 100 crore as on March 31, 2024, and healthy cushion in existing fund-based facilities. Expected annual cash accrual of Rs 400-450 crore should be sufficient to fund routine maintenance capex as well as part of the expansion capex. The group has also successfully raised long tenure debt for funding capex, which has resulted in modest annual debt obligation. The group has principal debt obligation of Rs 51 crore and Rs 156 crore in fiscals 2025 and 2026, respectively, which can be comfortably serviced from accrual. The company has been obtaining loans of longer tenures similar to peers, which permits for enough time for newer hospitals to ramp up and stabilize operations, without straining liquidity.

Given current sizeable capex, the group is unlikely to pay out material dividend over the medium term, with cash flow likely to be reinvested. Given healthy relationships with the lending community, tie up of additional long tenure debt for funding capex is not expected to be an issue.

Outlook: Stable

CRISIL Ratings believes that KIMS will continue to benefit, over the medium term, from its established presence in the south Indian market and diversified revenue stream. Ramp up in operations of new hospitals is expected to benefit revenue growth while there will be a temporary drag on profitability. The company is also expected to maintain financial prudence and sustain its debt protection metrics at healthy levels, while pursuing organic and inorganic growth.

Rating Sensitivity factors

Upward factors:

- Sustained double-digit revenue growth, supported by contribution from newer hospitals and reducing dependence on the flagship hospital, leading to material improvement in scale of operations and geographical diversity, while maintaining healthy operating margin of over 25%
- Sustaining healthy debt protection metrics, considering organic and inorganic expansion plans

Downward factors:

- Sluggish revenue growth and deterioration of operating margin to 17-19%, affecting cash generation
- Higher-than-expected, debt-funded capex or acquisitions, or additional debt raised to fund cost overruns in ongoing projects, leading to moderation in key debt protection metrics; for instance, debt to EBITDA ratio in excess of 2.25-2.5 times
- Adverse regulations impacting the hospital sector, including KIMS

About KIMS group

Founded by Dr Bhaskar Rao Bollineni, a renowned cardiothoracic surgeon, KIMS operates a chain of multispecialty hospitals in Andhra Pradesh and Telangana, with a focus on tertiary and quaternary healthcare. It began its journey in 2004

with a 300-bed hospital in Secunderabad. Today, KIMS is one of India's leading multi-disciplinary integrated private healthcare service providers offering comprehensive healthcare services across specialties and super specialties.

The flagship hospital of the group in Secunderabad has a capacity of 1,000 beds. Spread across eight cities in the states of Andhra Pradesh and Telangana, KIMS has a total bed capacity of 3,064 beds and established presence in the southern part of India.

At present, Dr Bhaskar Rao, his associate firm, and relatives have 38.8% stake in KIMS, General Atlantic holds 17% through General Atlantic Singapore KH Pte Ltd, and the balance is held by institutional investors and the general public, including doctors. In June 2018, General Atlantic invested over USD 130 million, in a combination of primary capital and secondary purchases, to acquire a significant minority stake of 42.6% in KIMS. This included the takeover of 30% stake from India Advantage Fund, India's largest private equity fund held by ICICI Ventures.

During October 2021, KIMS announced acquisition of Sarvejana Healthcare Pvt Ltd (part of Sunshine hospital group) which resulted in KIMS chain expanding to 12 hospitals, across 9 cities with more than ~3,600 beds. This was followed by two more acquisitions in the recent past, taking the bed capacity to 3,975 beds as on December 31, 2023.

Key Financial Indicators (Consolidated)

As on/for the period ended March 31	Unit	2023	2022
Revenue	Rs.Crore	2202	1653
Profit After Tax (PAT)	Rs.Crore	323	259
PAT Margin	%	14.7	15.8
Adjusted debt/adjusted networth	Times	0.31	0.12
Interest coverage	Times	16.48	24.98

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	Term Loan	NA	9.10%	Jun-2024	7.8	NA	CRISIL AA/Stable
NA	Cash Credit	NA	NA	NA	50	NA	CRISIL AA/Stable
NA	Non-Fund Based Limit	NA	NA	NA	4	NA	CRISIL A1+
NA	Proposed Fund-Based Bank Limits	NA	NA	NA	108.2	NA	CRISIL AA/Stable

Annexure - List of Entities Consolidated

Names of entities consolidated	Extent of consolidation	Rationale for consolidation
Krishna Institute of Medical Sciences Ltd	Full	Common management, similar line of business, business and financial linkages, and common promoters
Arunodaya Hospitals Pvt Ltd – Srikakulam	Full	
KIMS Hospital Enterprises Pvt Ltd - Kondapur	Full	
Iconkrishi Institute of Medical Sciences Pvt Ltd– Vizag	Full	
Saveera Intitute of Medical Sciences Pvt Ltd– Anantapur	Full	
KIMS Hospital Kurnool Pvt Ltd–Kurnool	Full	
KIMS Hospitals Pvt Ltd	Full	
KIMS Swastha Pvt Ltd	Full	
KIMS Cuddles Pvt Ltd	Full	
KIMS Hospital (Bhubaneswar) Pvt Ltd	Full	
KIMS Hospitals Bengaluru	Full	
Sarvejana Healthcare Pvt Ltd	Full	
SPANV Nagpur	Full	

Annexure - Rating History for last 3 Years

Instrument	Current			2024 (History)		2023		2022		2021		Start of 2021
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	166.0	CRISIL AA/Stable		--	01-02-23	CRISIL AA-/Positive		--	03-11-21	CRISIL AA-/Positive	CRISIL AA-/Stable
			--		--		--		--	24-08-21	CRISIL AA-/Positive	--
Non-Fund Based Facilities	ST	4.0	CRISIL A1+		--	01-02-23	CRISIL A1+		--	03-11-21	CRISIL A1+	CRISIL A1+
			--		--		--		--	24-08-21	CRISIL A1+	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	26.5	HDFC Bank Limited	CRISIL AA/Stable
Cash Credit	23.5	The Federal Bank Limited	CRISIL AA/Stable
Non-Fund Based Limit	4	The Federal Bank Limited	CRISIL A1+
Proposed Fund-Based Bank Limits	108.2	Not Applicable	CRISIL AA/Stable
Term Loan	7.8	NIIF Infrastructure Finance Limited	CRISIL AA/Stable

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 Criteria for rating short term debt](#)

[CRISILs Criteria for Consolidation](#)

[Understanding CRISILs Ratings and Rating Scales](#)

Media Relations	Analytical Contacts	Customer Service Helpdesk
<p>Aveek Datta Media Relations CRISIL Limited M: +91 99204 93912 B: +91 22 3342 3000 AVEEK.DATTA@crisil.com</p> <p>Prakruti Jani Media Relations CRISIL Limited M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com</p> <p>Rutuja Gaikwad Media Relations CRISIL Limited B: +91 22 3342 3000 Rutuja.Gaikwad@ext-crisil.com</p>	<p>Anuj Sethi Senior Director CRISIL Ratings Limited B:+91 44 6656 3100 anuj.sethi@crisil.com</p> <p>Poonam Upadhyay Director CRISIL Ratings Limited B:+91 22 3342 3000 poonam.upadhyay@crisil.com</p> <p>Sree Sankar Manager CRISIL Ratings Limited B:+91 44 6656 3100 Sree.Madhu@crisil.com</p>	<p>Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301</p> <p>For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com</p> <p>For Analytical queries: ratingsinvestordesks@crisil.com</p>

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>.

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>