Date: 08th January, 2023

To,
The National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.

Scrip Code No. VADILALIND-EQ

To
Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai - 400 001.

Scrip Code: 519156

Dear Sir,

Subject: Intimation regarding Credit Ratings under Regulation 30 of the SEBI (LODR) Regulations, 2015

Pursuant to Regulation 30 of SEBI (Listing Obligation & Disclosures Requirements) Regulation, 2015, we wish to intimate you that India Ratings and Research (Ind-Ra) has given the following issuer rating to the Company. The instrument wise rating actions are as follows:

Instrument Type	Rating	Rating Action
Fund-based working capital limit	IND BBB+/ Stable	Affirmed
Non-Fund-based working capital limit	IND A2	Affirmed
Term loan	IND BBB+/ Stable	Affirmed

Please take the same on your records.

Thanking you,
For **VADILAL INDUSTRIES LIMITED**

RASHMI TUSHAR BHATT

Digitally signed by RASHMI TUSHAR BHATT
Date: 2024.01.08 17:42:37 +05'30'

Rashmi Bhatt
Company Secretary & Compliance Officer

India Ratings Affirms Vadilal Industries' Debt at 'IND BBB+'; Outlook Stable

Jan 05, 2024 | Dairy Products

India Ratings and Research (Ind-Ra) has affirmed Vadilal Industries Limited's (VIL) debt instruments as follows:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Fund-based working capital limit	-	-	-	INR517.7	IND BBB+/Stable	Affirmed
Non-fund-based working capital limit	-	-	-	INR102.5	IND A2	Affirmed
Term loan	-	-	31 May 2027	INR428.6	IND BBB+/Stable	Affirmed

Analytical Approach: Ind-Ra continues to take a consolidated view of VIL and its group company, Vadilal Enterprises Limited (debt rated at 'IND BBB+'/Stable/'IND A2'), together referred to as the Vadilal Group (VG) hereafter, while arriving at the ratings on account of the significant operational linkages between them.

Key Rating Drivers

Strong Growth in Revenue in FY23; Healthy EBITDA Margins: On a consolidated basis, the revenue surged about 51% yoy to INR12,725 million in FY23, led by a revival in domestic demand for ice cream and processed food owing to the receding impact of covid-led disruptions. During 1QFY23, VG generated about 37% of FY23 revenue and 40% of EBITDA from domestic and export sales. Further, domestic sales accounted for 79% of the total sales in FY23 (FY22: 70%) and exports for the remaining. The consolidated EBITDA margin increased marginally to 13.5% in FY23 (FY22: 13.2%), led by increased realisations and better absorption of fixed costs owing to the rise in revenue. During 1HFY24, VG's revenue grew 13% yoy to INR8,884 million.

Improvement in Interest Coverage in FY23; Although Net Leverage Remained Modest: VG's interest coverage (EBITDA/gross interest expense) improved substantially to 9.98x in FY23 (FY22: 5.2x, FY21: 1.9x) due to an increase in the EBITDA to INR1,715 million (INR1,112 million) and a decline in the interest expenses to INR172 million (INR216 million) owing to scheduled repayment of term loans. However, the net leverage (net debt/EBITDA) deteriorated marginally to 1.5x in FY23 (FY22: 1.3x) owing to an increase in the debt to INR2,981 million (INR1,905 million) as the company availed higher working capital bank borrowings during the year.