



Press Release
Manjeet Cotton Private Limited
October 23, 2024
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	584.75	ACUITE A- Stable Upgraded	-
Bank Loan Ratings	58.80	-	ACUITE A1 Upgraded
Total Outstanding Quantum (Rs. Cr)	643.55	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded the long-term rating to 'ACUITE A-' (read as ACUITE A minus) from 'ACUITE BB+' (read as ACUITE double B plus) and the short-term rating to 'ACUITE A1' (read as ACUITE A one) from 'ACUITE A4+' (read as ACUITE A four plus) on Rs. 643.55 crore bank facilities of Manjeet Cotton Private Limited (MCPL). The outlook is 'Stable'.

Rationale for rating action

The rating action factors in the moderation recorded in MCPL's operating and financial performance in FY2024 (Prov.). The operating profit margin decreased to 2.80% in FY2024 (Prov.), from 5.38% in FY2023 and 2.91% in FY2022, primarily due to lower price realizations despite an increase in sales volumes. Additionally, PAT margins fell to 1.28% in FY2024 (Prov.), against 3.33% in FY2023 and 1.78% in FY2022. This moderation in profitability has impacted the overall financial risk profile, particularly the debt coverage indicators and the Debt-EBITDA levels. The interest coverage ratio declined to 2.55 times in FY2024 (Prov.), as against 5.54 times in FY2023, while the DSCR fell to 1.28 times in FY2024 (Prov.) as against 2.37 times in FY2023. Furthermore, the Debt-EBITDA levels increased to 6.45 times in FY2024 (Prov.) against 3.25 times in FY2023. However, revenue marginally increased to Rs. 3259.52 Cr. in FY2024 (Prov.) against Rs. 3134.56 Cr. in FY2023 on account of higher volumes. Additionally, the company has reported revenues of Rs. 929.38 Cr. for 5MFY25. The rating is further constrained by the moderate nature of the company's working capital operations. Going ahead, the ability of the company to increase its revenue and profitability along with improving its financial risk profile on the back of steady accruals generation will remain key monitorable.

About the Company

Maharashtra-based Manjeet Cotton Private Limited (MCPL) was incorporated in 2005 as a private limited company to consolidate the existing businesses of other group companies that had been operational since 1982. MCPL is engaged in cotton ginning, trading, exporting, and extracting cotton oil seeds, cotton seeded linting, spinning, and weaving. It is promoted by Mr. Bhupendra Rajpal, Mr. Rajendra Rajpal, and Mr. Sanchit Rajpal. It has manufacturing units in 20 cities located in the states of Madhya Pradesh, Maharashtra, Karnataka, Telangana, Odisha, and Rajasthan.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of MCPL to arrive at this rating.

Key Rating Drivers**Strengths**

Established track record of operations in the cotton industry with experienced management

MCPL has been operating since 1982 and is one of the largest cotton processors in India. MCPL was founded by Mr. Bhupendra Singh Rajpal and Mr. Rajendra Singh Rajpal, who possess more than three decades of experience in the textile industry. The promoters are also well supported by the second-generation management, led by Mr. Sanchit Rajpal. MCPL has established working relationships with a number of customers and suppliers in the domestic and international markets. MCPL has a diversified business profile marked by the processing of cotton ginning, the trading and exporting of cotton yarn to both domestic and international markets, and the extraction of cotton seed oil. Moreover, the company currently has 20 manufacturing facilities, which are located in major cotton-producing regions of India such as Madhya Pradesh, Maharashtra, Karnataka, Telangana, Odisha, and Rajasthan. Further, the proximity to raw materials ensures a steady supply of raw materials at competitive rates. The experience of its promoters and long track record of operations in the cotton industry have helped the company maintain healthy and long-term relationships with both its customers and suppliers. Furthermore, MCPL derives around 75–80 percent of its revenue from the domestic market, with the rest coming from exports. Acuité believes that MCPL will continue to benefit from its established presence in the industry, backed by the promoters' vintage and diversified business risk profile, over the medium term.

Improved scale of operations albeit decline in operating margin

In FY 2024 (Prov.), the company recorded a marginal increase in revenue to Rs. 3259.52 Cr. marking a 3.98 % increase compared to Rs. 3134.56 Cr in FY2023. The growth in revenue was led primarily on account of increase in volumes.

However, the operating margin for FY2024(Prov.) stood at 2.80%, as compared to 5.38% in FY2023. This decrease in operating margin is on account of lower price realizations, despite an increase in sales volumes for FY2024(Prov.). The lower price realizations during the season was primarily due to a significant correction in cotton and yarn prices. FY2023 was an exceptional year, marked by elevated cotton prices and robust demand for cotton and cotton products, which allowed the company to achieve enhanced profits and consequently higher margins. Further, the Profit After Tax (PAT) margin recorded a decline, standing at 1.28% in FY2024(Prov.), as compared to 3.33% in FY2023, primarily on account of higher finance cost during the year.

As of 5MFY2025, the company reported revenues of approximately Rs. 929.38 Cr. Further, the company expects steady increase in revenue and improvement in profitability margins, supported by favourable cotton crop conditions and marginally improved cotton prices, which are expected to reduce the impact of the Minimum Support Price (MSP). Additionally, the government's enhanced duty drawback on cotton exports is poised to strengthen the company's competitive position in the international market.

Acuité believes that the ability of the company to sustain the growth in operating income and improvement in profitability margins will remain a key monitorable.

Moderate nature of working capital operations

The working capital management of the company is moderate in nature, marked by Gross Current Assets (GCA) of 129 days as of 31st March 2024(Prov.), compared to 123 days on 31st March 2023. The high GCA days are primarily on account of elevated inventory levels and high debtor days. The inventory holding period extended to 59 days on 31st March 2024(Prov.) as compared to 47 days on 31st March 2023. The company's debtor collection period increased to 45 days in FY2024 (Prov) from 36 days in FY2023, due to higher-than-usual sales in March, which resulted in elevated debtor days. The creditor days of the company stood at 7 days for FY2024 (Prov.) as against 4 days in FY2023. Furthermore, the average utilization for fund-based limits remained moderate, averaging around 69.82% over the last six months ending Aug 2024.

Acuité believes that the ability of the company to improve its scale of operations while maintaining an efficient working capital cycle will be a key monitorable.

Weaknesses

Moderation in Financial Risk Profile

The financial risk profile of the company stood moderate marked by high net worth, moderate gearing, and debt protection metrics. The net worth of the company stood at Rs. 646.82 Cr. as on March 31st, 2024(Prov.), as against Rs. 605.47 Cr. as on March 31st, 2023, on account of ploughing back of profits to reserves. The total debt of the company stood at Rs. 687.03 Cr. as on March 31, 2024 (Prov.) as against Rs. 602.63 Cr. as on March 31, 2023. The debt profile of the company comprises of Rs. 67.22 Cr. of long-term debt, Rs. 583.78 Cr. of short-term debt, Rs. 5.77 Cr. of unsecured loans and, Rs. 30.26 Cr. of CPLTD. Going ahead, company might not retain USL. The gearing of the company stood moderate at 1.06 times in FY 2024(Prov.) as compared to 1.00 times in FY2023 and is expected to improve further over the medium term as the company does not plan to incur any additional long-term loans. Further, the debt protection metrics of the company stood moderated reflected by debt service coverage ratio of 1.28 times for FY24(Prov.) as against 2.37 times for FY23. The interest coverage ratio stood at 2.55 times for FY24 (Prov.) as against 5.54 times for FY23. The decline in ICR is due to higher interest cost incurred during the year. The TOL/TNW of the company stood at 1.22 times as on March 31, 2024 (Prov.) as against 1.17 times as on March 31, 2023. Also, the Debt/EBITDA levels of the company deteriorated to 6.45 times in FY2024(Prov.) from 3.25 times in FY2023. In FY 2024 (Prov.), the company invested Rs. 57.40 Cr. in capex for fixed asset acquisition, funded through internal accruals and term loans.

Acuité believes that the financial risk profile is expected to improve on account of healthy accruals generation and

in absence of any further major debt funded capex over the medium term.

Susceptibility of operating performance to input price volatility

Cotton prices are regulated by the government through the MSP (Minimum Support Price) mechanism. Profitability is susceptible to changes in the prices of raw materials. However, the selling price of the output depends on the prevailing demand-supply situation, restricting bargaining power with customers and thereby impacting margins. During FY2024(Prov.), the price realisations were negatively affected on account of the limited availability of cotton in the market and lower cotton prices.

Competitive nature of industry and agroclimatic risk

MCPL operates in a highly fragmented industry characterised by the presence of many unorganised players, thus limiting its pricing power. Further, the raw material availability is highly dependent upon the climatic conditions, as seed cotton is exposed to agro-climatic risks, and the production is highly dependent upon the monsoon and other climatic conditions. Higher temperatures in already hot areas may hinder cotton development and fruit formation, resulting in reduced yields and a scarcity of raw cotton.

Rating Sensitivities

Positive Factors

- Ability to sustain steady growth in scale of operations and profitability, while improving the financial risk profile.

Negative Factors

- Lower than expected growth in scale of operations and profitability.
- Further stretch in working capital cycle leading to high dependence of bank borrowings and deterioration in liquidity position.

Liquidity Position

Adequate

The company's liquidity position is adequate. The company generated healthy net cash accruals of Rs. 53.42 Cr. in FY2024(Prov.) as against its maturity debt obligations of Rs. 32.30 Cr. during the same tenure. In addition, it is expected to generate sufficient cash accrual in the range of Rs.71.28 – Rs.81.87 Cr. against its maturing repayment obligations in the range of Rs.30.26 -Rs.29.03 Cr. over the medium term. The current ratio stands at 1.70 times as on 31st March 2024(Prov.) as against 1.70 times as on 31st March 2023. The cash and bank balance stood at Rs.37.04 Cr as on March 31, 2024(Prov.). Further, the working capital management of the company is moderate in nature marked by GCA days of 129 days in FY2024(Prov.) as against 123 days in FY2023, with moderate reliance on working capital limits at average 69.82% utilization over the last six months ending Aug 2024.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Provisional)	FY 23 (Actual)
Operating Income	Rs. Cr.	3259.52	3134.56
PAT	Rs. Cr.	41.62	104.33
PAT Margin	(%)	1.28	3.33
Total Debt/Tangible Net Worth	Times	1.06	1.00
PBDIT/Interest	Times	2.55	5.54

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
30 Aug 2024	Term Loan	Long Term	0.68	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Term Loan	Long Term	0.33	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Term Loan	Long Term	31.58	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Term Loan	Long Term	12.77	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Cash Credit	Long Term	50.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Term Loan	Long Term	16.10	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Term Loan	Long Term	0.63	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Post Shipment Credit	Long Term	55.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Term Loan	Long Term	9.46	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Cash Credit	Long Term	50.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Cash Credit	Long Term	83.50	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Cash Credit	Long Term	170.30	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Cash Credit	Long Term	91.20	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A1)
	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A1)
	Stand By Line of Credit	Short Term	13.20	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A1)
	Stand By Line of Credit	Short Term	8.80	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A1)
07 Jun 2023	Stand By Line of Credit	Short Term	13.20	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A1 (Reaffirmed)
	Stand By Line of Credit	Short Term	8.80	ACUITE A1 (Reaffirmed)
	Cash Credit	Long Term	91.20	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	170.30	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	83.50	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	50.00	ACUITE A Stable (Reaffirmed)
	Term Loan	Long Term	9.46	ACUITE A Stable (Reaffirmed)
	Post Shipment Credit	Long Term	55.00	ACUITE A Stable (Reaffirmed)
	Term Loan	Long Term	0.63	ACUITE A Stable (Reaffirmed)
	Term Loan	Long Term	16.10	ACUITE A Stable (Reaffirmed)

	Term Loan	Long Term	12.77	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	50.00	ACUITE A Stable (Assigned)
	Term Loan	Long Term	31.58	ACUITE A Stable (Assigned)
	Term Loan	Long Term	0.33	ACUITE A Stable (Reaffirmed)
	Term Loan	Long Term	0.68	ACUITE A Stable (Reaffirmed)
08 Dec 2022	Stand By Line of Credit	Short Term	8.80	ACUITE A1 (Upgraded from ACUITE A2+)
	Stand By Line of Credit	Short Term	13.20	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Cash Credit	Long Term	91.20	ACUITE A Stable (Upgraded from ACUITE BBB+)
	Cash Credit	Long Term	170.30	ACUITE A Stable (Upgraded from ACUITE BBB+)
	Cash Credit	Long Term	83.50	ACUITE A Stable (Upgraded from ACUITE BBB+)
	Cash Credit	Long Term	50.00	ACUITE A Stable (Upgraded from ACUITE BBB+)
	Term Loan	Long Term	14.78	ACUITE A Stable (Upgraded from ACUITE BBB+)
	Term Loan	Long Term	0.84	ACUITE A Stable (Upgraded from ACUITE BBB+)
	Post Shipment Credit	Long Term	55.00	ACUITE A Stable (Upgraded from ACUITE BBB+)
	Term Loan	Long Term	3.62	ACUITE A Stable (Upgraded from ACUITE BBB+)
	Proposed Long Term Bank Facility	Long Term	7.96	ACUITE A Stable (Upgraded from ACUITE BBB+)
23 Sep 2022	Cash Credit	Long Term	91.20	ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Cash Credit	Long Term	170.30	ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Cash Credit	Long Term	83.50	ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Cash Credit	Long Term	50.00	ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Term Loan	Long Term	14.78	ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Term Loan	Long Term	0.84	ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Post Shipment Credit	Long Term	55.00	ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Term Loan	Long Term	3.62	ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Proposed Long Term Bank Facility	Long Term	7.96	ACUITE BBB+ (Downgraded & Issuer not co-operating* from ACUITE A Stable)
	Stand By Line of Credit	Short Term	8.80	ACUITE A2+ (Downgraded & Issuer not co-operating* from ACUITE A1)
	Stand By Line of Credit	Short Term	13.20	ACUITE A2+ (Downgraded & Issuer not co-operating* from ACUITE A1)
	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A2+ (Downgraded & Issuer not co-operating* from ACUITE A1)
	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A2+ (Downgraded & Issuer not co-operating* from ACUITE A1)
		Long		

02 Jul 2021	Term Loan	Term	3.62	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Term Loan	Long Term	0.84	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Term Loan	Long Term	14.78	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Proposed Long Term Bank Facility	Long Term	7.96	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Post Shipment Credit	Long Term	55.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Cash Credit	Long Term	50.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Cash Credit	Long Term	83.50	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Cash Credit	Long Term	170.30	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Cash Credit	Long Term	91.20	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Stand By Line of Credit	Short Term	13.20	ACUITE A1 (Reaffirmed)
	Stand By Line of Credit	Short Term	8.80	ACUITE A1 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A1 (Assigned)
	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A1 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A1 Upgraded (from ACUITE A4+)
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A1 Upgraded (from ACUITE A4+)
Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	126.20	Simple	ACUITE A- Stable Upgraded (from ACUITE BB+)
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	60.00	Simple	ACUITE A- Stable Upgraded (from ACUITE BB+)
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	92.80	Simple	ACUITE A- Stable Upgraded (from ACUITE BB+)
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	89.00	Simple	ACUITE A- Stable Upgraded (from ACUITE BB+)
HDFC Bank Ltd	Not avl. / Not appl.	Post Shipment Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	132.00	Simple	ACUITE A- Stable Upgraded (from ACUITE BB+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.88	Simple	ACUITE A- Stable Upgraded (from ACUITE BB+)
Bank of India	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.80	Simple	ACUITE A1 Upgraded (from ACUITE A4+)
Union Bank of India	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.20	Simple	ACUITE A- Stable Upgraded (from ACUITE BB+)
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	07 Oct 2028	24.77	Simple	ACUITE A- Stable Upgraded (from ACUITE BB+)
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	07 Dec 2028	1.53	Simple	ACUITE A- Stable Upgraded (from ACUITE BB+)
Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Sep 2026	6.51	Simple	ACUITE A- Stable Upgraded (from ACUITE BB+)
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	07 May 2027	13.43	Simple	ACUITE A- Stable Upgraded (from ACUITE BB+)
Yes Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2028	18.43	Simple	ACUITE A- Stable Upgraded (from ACUITE BB+)

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Kirti Berlia Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.