30th June, 2026

To,

The Manager - Listing,
BSE Limited,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Scrip Code: 543276

The Manager - Listing,
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051
Stock Code: CRAFTSMAN

Dear Sir/ Madam,

Sub: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Credit Rating Actions for the Company and DR Axion India Limited and Sunbeam Lightweighting Solutions Limited (Wholly Owned Subsidiaries);

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that Crisil Ratings Limited ("Crisil"), the Credit Rating Agency vide its letters dated 29th June, 2026 has:

1. Reaffirmed the Credit Ratings assisgned to the Long-Term and Short-Term Bank Facilities of the Company and DR Axion India Limired (formerly, DR Axion India Private Limited) ("DR Axion") a Wholly Owned Subsidary (WOS) and revised the outlook on the Long-Term Bank Facilities of the Company and DR Axion from 'Stable' to 'Positive'.

2. The Credit Ratings assigned to the Long-Term and Short-Term Bank Facilities of Sunbeam Lightweighting Solutions Limited (formerly, Sunbeam Lightweighting Solutions Private Limited), a WOS, Continues on 'Rating Watch with Positive Implications'.

The details of the rating actions are as follows:

Rating Action – Craftsman Automation Limited:

S.No	Loan Facilities Rated	Existing Rating	Rating Action
1.	Long Term Rating	Crisil AA-/Positive	Rating Reaffirmed. Outlook revised from 'Stable' to 'Positive'
2.	Short Term Rating	Crisil A1+	Reaffirmed

Registered Office:
123/4, Sangothipalayam Road,
Arasur Post, Coimbatore – 641 407
Tamil Nadu, India

Corporate Office:
No.1087, 4th & 5th Floor, Krishna Towers,
Avinashi Road, Coimbatore - 641037
Tamil Nadu, India

Tel + 91 422 71 610 00
fax + 91 422 71 612 34
info@craftsmanautomation.co
www.craftsmanautomation.co

CIN NO: L28991TZ1986PLCO01816
GST NO: 33AABCC2461K1ZW

Rating Action – DR Axion India Limited:

S.No	Loan Facilities Rated	Existing Rating	Rating Action
1.	Long Term Rating	Crisil AA-/Positive	Rating Reaffirmed. Outlook revised from ‘Stable’ to ‘Positive’
2.	Short Term Rating	Crisil A1+	Reaffirmed

Rating Action – Sunbeam Lightweighting Solutions Limited:

S.No	Loan Facilities Rated	Existing Rating	Rating Action
1.	Long Term Rating	Crisil BBB+/ Watch Positive	Continues on 'Rating Watch with Positive Implications'
2.	Short Term Rating	Crisil A2/ Watch Positive	Continues on 'Rating Watch with Positive Implications'

The rating rationales are enclosed for your reference. Kindly take the same into your records.

Thanking you.

Yours faithfully,
for CRAFTSMAN AUTOMATION LIMITED

Shainshad Aduvanni
Digitally signed by Shainshad Aduvanni
Date: 2026.06.30 14:29:32 +05'30'

Shainshad Aduvanni
Company Secretary & Compliance Officer

Encl: As above

Registered Office:
123/4, Sangothipalayam Road,
Arasur Post, Coimbatore – 641 407
Tamil Nadu, India

Corporate Office:
No.1087, 4th & 5th Floor, Krishna Towers,
Avinashi Road, Coimbatore - 641037
Tamil Nadu, India

Tel + 91 422 71 610 00
fax + 91 422 71 612 34
info@craftsmanautomation.co
www.craftsmanautomation.co

CIN NO: L28991TZ1986PLC001816
GST NO: 33AABCC2461K1ZW

Rating Rationale

June 29, 2026 | Mumbai

Craftsman Automation Limited

Rating outlook revised to 'Positive'; Ratings Reaffirmed

Rating Action

Total Bank Loan Facilities Rated	Rs.3950 Crore	Regulator Of Instrument
Long Term Rating	Crisil AA-/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)	RBI
Short Term Rating	Crisil A1+ (Reaffirmed)	RBI

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 revised its outlook on the long-term bank facilities of Craftsman Automation Limited (CAL) to **'Positive'** from 'Stable' while reaffirming the rating at **'Crisil AA-'** and has reaffirmed its 'Crisil A1+' rating on the short-term bank facilities.

The revision in outlook reflects the sustained improvement in CAL's business risk profile, driven by the successful ramp-up of its newly commenced facilities, which has enhanced the company's market position in the automotive (auto) segment (contributing more than 75% to revenue). The company's dominance in aluminium products manufacturing within this segment has grown significantly, fueled by customer additions, robust end-user demand, a favourable product mix, and diversification into new businesses. While debt is expected to remain high due to continued capital expenditure (capex), improved operating profit and strong cash generation, as well as proceeds from the recent qualified institutional placement (QIP) of Rs 2,000 crore, are likely to facilitate material debt reduction in fiscal 2027, benefitting the financial risk profile, especially debt protection metrics. Furthermore, successful monetisation of land at the Gurugram facility of subsidiary Sunbeam Lightweighting Solutions Ltd (SLSL; 'Crisil BBB+/Crisil A2/Watch Positive') could lead to further improvement in debt metrics, strengthening CAL's financial risk profile.

On June 18, 2026, CAL intimated stock exchanges that it has successfully completed its second round of fundraising through a QIP, raising Rs 2,000 crore. Of the proceeds, Rs 1,500 crore has been earmarked for debt reduction, and the remaining will be utilised for general corporate purposes. It may be noted that CAL had also raised Rs 1,200 crore through QIP in June 2024. As of March 31, 2026, CAL's consolidated total debt stood at Rs 3,623 crore, comprising long-term debt of Rs 2,723 crore, short-term debt of Rs 618 crore, and lease liabilities of Rs 283 crore. However, short-term debt at standalone level increased to Rs 920 crore in May 2026 due to higher input costs on account of the West Asia crisis, which necessitated inventory build-up and reduction in creditor days and may stretch the working capital cycle.

On March 11, 2026, CAL intimated the exchanges that its Board of Directors had approved the scheme of consolidating its aluminum business by merging its subsidiaries, DR Axion India Ltd (DRAIL; 'Crisil AA-/Positive/Crisil A1+') and SLSL, effective April 1, 2026. SLSL and DRAIL has obtained approval from the majority of its creditors & shareholders and filed an application with the National Company Law Tribunal (NCLT), Chandigarh and Chennai, respectively. Subsequently, the case has been transferred to NCLT, Chandigarh, being jurisdiction of the transferee company. The merger is expected to be completed by the end of fiscal 2027. Upon successful completion of the merger with SLSL, DRAIL will cease to exist and its debt facilities will move to SLSL. The scheme is not expected to have any materially impact on the credit profile of CAL, which will continue to be supported by its strong business risk profile and healthy financial risk profile.

CAL's consolidated operating revenue increased to Rs 8,082 crore during fiscal 2026 from Rs 5,693 crore in the previous fiscal, driven by strong growth in the aluminium segment supported by revenue offtake from the recently commissioned facilities and strong demand growth from existing customers. Besides this, revenue addition was also supported by contribution from SLSL and Craftsman Germany GmbH (Craftsman Germany), which was acquired by CAL in the second half of fiscal 2026. CAL's other subsidiary, DRAIL, saw revenue grow ~23% in fiscal 2026 driven by continued demand from existing customers and increased exports. On a consolidated basis, the aluminum segment contributed over ~59% to revenue during fiscal 2026, while the powertrain and industrial engineering segments contributed 27% and 14%, respectively. The aluminum segment grew ~58%, driving overall revenue growth. The powertrain and industrial engineering segments grew 20% and 30%, respectively, during fiscal 2026.

DRAIL is a major supplier of cylinder blocks and heads for leading passenger vehicle (PV) original equipment manufacturers (OEMs) such as Hyundai Motor India Ltd (HMIL; 'Crisil AAA/Stable/Crisil A1+'), Kia Motors India Pvt Ltd (Kia Motors), and Mahindra & Mahindra Ltd (M&M; 'Crisil AAA/Stable/Crisil A1+'). The acquisition of DRAIL has helped CAL increase the share of revenue from the PV segment, thereby diversifying revenue within the auto business. DRAIL is setting up a facility in Chennai which is expected to be commissioned in fiscal 2027 and will enhance revenue.

SLSL, which majorly serves Hero MotoCorp Ltd (HMCL; ‘Crisil AAA/Stable/Crisil A1+’) and Maruti Suzuki India Ltd (MSIL; ‘Crisil AAA/Stable/Crisil A1+’), pruned exposure to low-margin customers during fiscal 2026 to improve its operating profitability. SLSL is likely to pursue addition of overseas customers, which will contribute to revenue growth and enhance profitability. Given the recent capacity expansion at CAL and gradual step up in contribution from SLSL and DRAIL, and raw material price inflation contributing to revenue, Crisil Ratings expects CAL’s consolidated revenue to grow 10–13% over the medium term.

Established and superior operating efficiencies and expertise in the machined components and die-cast components space helped sustain healthy operating profitability, at 15.8% in fiscal 2026 compared with 14.9% in fiscal 2025, with improved performance by CAL and DRAIL offsetting lower profitability at SLSL and Craftsman Germany. The management is undertaking several measures to significantly double SLSL’s operating margin from ~4% in fiscal 2026, while sustaining operating margin at DRAIL. CAL’s standalone operating margin is set to improve in fiscal 2027 driven by better product mix, reduction in operating losses at newly commenced facilities, reduction in creditor period and hence better pricing, and better offtake in the high-margin powertrain segment. Overall, consolidated operating margin is expected to improve to 16.0–16.5% in fiscal 2027, and remain rangebound thereon.

CAL’s financial risk profile has benefitted from strong annual cash generation, equity proceeds from its initial public offering in March 2021, and further fund raising through QIP of Rs 1,200 crore in June 2024 and the recent QIP of Rs 2,000 crore. CAL spent Rs 4,800–5,000 crore during fiscals 2020–2026 on capex and acquisitions, funded through accrual, QIP proceeds and debt. Despite sizeable capex, CAL’s debt metrics are largely adequate. Gearing is expected to improve to less than 0.7 time as on March 31, 2027, from 1.17 times as on March 31, 2026. Interest coverage and the ratio of net debt to earnings before interest, depreciation, tax and amortisation (Ebitda) are expected to improve to 5.5–6.0 times and ~2 times, respectively, in fiscal 2027 from 4.21 times and 2.64 times, respectively, in fiscal 2026, driven by better operating profitability and reduced debt of Rs 3,000–3,100 crore at the end of fiscal 2027. Debt reduction through QIP proceeds will help buttress the impact of higher capex of Rs 1,200–1,500 crore towards setting up facilities at Nagpur, Ludhiana and Sriperumbudur, and continued spend towards modernisation of machinery and maintenance. Monetisation of land at SLSL’s Gurugram unit can also help speed up improvement in debt metrics.

The ratings continue to reflect the strong position of CAL in the auto-engineering contract-manufacturing sector, established and diversified clientele, healthy operating margin and adequate and improving financial risk profile. These strengths are partially offset by large working capital requirement and capital-intensive operations and vulnerability of performance to slowdown in the auto sector.

Analytical Approach

Crisil Ratings has consolidated the business and financial risk profiles of CAL and its subsidiaries, DRAIL, SLSL, Craftsman Europe BV, Craftsman Germany and its subsidiaries, and proportionately consolidated CAL’s joint venture, Carl Stahl Craftsman Enterprises Pvt Ltd, due to operational and financial linkages among the entities. Goodwill on the acquisition of DRAIL is amortised over five years commencing from the date of acquisition in fiscal 2023, and reported profit after tax (PAT), networth and ratio computations adjusted accordingly.

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

Key Rating Drivers - Strengths

Diversified revenue stream from Auto segment

CAL is a leading player in the auto-engineering contract-manufacturing sector, with a diversified clientele across industries. It has three business segments: powertrain, aluminium products, and industrial and engineering. The powertrain segment caters to commercial vehicles (CVs), PVs, farm equipment, construction and mining equipment segments of the auto industry. The aluminium products division supplies aluminium components to two-and-four-wheeler and power transmission manufacturers. The industrial and engineering segment offers goods and services such as gears, material handling equipment, storage products, special purpose machines and other general engineering products to various industries.

The addition of capacity, products and customers, and healthy customer relationships led to revenue growth of 42% in fiscal 2026 on account of full-year revenue contribution from SLSL and growth in business segments of CAL and DRAIL as well. Addition of PV OEM customers through the acquisition of DRAIL, steady offtake by key customers and increase in business share with leading medium and heavy CV players should help CAL maintain market position over the medium term.

The acquisition of SLSL has expanded CAL’s manufacturing footprint in northern and western India in addition to its facility at Bhiwadi, Rajasthan. Also, the acquisition has added new product capabilities in the aluminum segment besides new domestic and overseas customers. The company also added facilities in Kothavadi, Hosur and Sriperumbudur in the past two fiscals and is set to expand further by adding facilities in Nagpur, Ludhiana and Sriperumbudur. The expansion, along with strong offtake in the aluminum segment, will help achieve steady double-digit revenue growth over the medium term.

Healthy operating efficiency

Focus on niche products, high machining operations and better technical capabilities, supported by cost-optimisation measures, have aided healthy operating efficiency. Besides, higher margin from machining operations led to a better-than-industry operating margin of over 20% on sustained basis over the years through fiscal 2024. However, in fiscals 2024 and 2025, lower absorption of fixed costs from newly commenced facilities, higher employee expenses at SLSL and margin reduction in the power train segment on account of lower volume led to decline in operating margin to 14.9%. Consolidated operating profitability rebounded to 15.8% in fiscal 2026. driven by offtake for the newly commenced facilities and better profitability at SLSL. With focus on profitable domestic orders, modernisation of machinery, and increase in better-margin exports, the management aims to double SLSL's operating profitability. Overall, CAL's operating margin is expected to improve to 16.0–16.5% over the medium term, supported by cost-control initiatives through automation, employee optimisation and wastage reduction.

Adequate and improving financial risk profile
The financial risk profile continues to be adequate, but is improving with QIP proceeds and steady cash accrual generating ability. Debt has risen to fund acquisitions and higher capex, but proceeds from equity raise and cash accrual have helped buttress the impact on debt metrics, though the debt protection metrics have moderated to some extent in the recent past. As of March 31, 2026, CAL's total adjusted debt stood at Rs 3,623 crore, comprising long-term debt of Rs 2,723 crore, short-term debt of Rs 618 crore, and lease liabilities of Rs 283 crore. In the near term, the total adjusted debt is expected at Rs 3,000–3,200 crore. Despite higher capex, reduction in debt and increase in operating profitability will support debt protection metrics, with interest coverage and net debt to Ebitda expected at 5.5–6.0 times and ~1.96 times, respectively, in fiscal 2027 vis-à-vis 4.21 times and 2.64 times in fiscal 2026. Gearing will correct to ~0.60 time as on March 31, 2027, from 1.17 times as on March 31, 2026. Debt metrics will continue to improve over the medium term, supported by healthy cash generation, modest debt addition to fund capex and monetisation of land at SLSL's Gurugram unit. However, any further sizeable capex resulting in higher-than-anticipated debt and limiting improvement in debt metrics will remain monitorable.

In June 2024, CAL successfully completed fund raising through a QIP of Rs 1,200 crore (net proceeds of Rs 1,176.7 crore) and utilised the same towards debt reduction of over Rs 650 crore, acquiring the residual shareholding of 24% for Rs 250 crore in DRAIL. The remaining funds were used for acquiring SLSL and general corporate purposes.

Key Rating Drivers - Weaknesses
Capital-intensive business and sizeable working capital requirement
Operations are inherently capex and working capital intensive. CAL undertook sizeable capex of ~Rs 4,800–5,000 crore during fiscals 2020–2026, including fixed asset addition arising from acquisition, and has even taken up capex ahead of demand in some cases.

Gross current assets were at 140–160 days in recent years. The company has decided to maintain large inventory of close to 4 months, given possible supply-chain disruptions in procuring raw materials, given its large customer base and product portfolio. Also, the large clientele and growing exports have resulting in sizeable receivables (almost 2 months) which could get stretched during a slowdown. Payables, which were earlier stretched to 4.0–4.5 months are expected to settle at 2–3 months in the coming years, increasing the working capital requirement.

Vulnerability to cyclicality in the auto sector
CAL caters to the auto, farm equipment, construction and earthmoving equipment, and locomotive industries, where demand is typically linked to economic activity. CAL is diversifying into non-auto industries, such as aluminium casting for power transmission and storage solutions, to mitigate the concentration risk. However, the business performance is likely to remain susceptible to sharp slowdown in demand from the auto industry over the medium term, given that the segment accounted for over 75% of revenue in fiscal 2026.

Liquidity Strong
Crisil Ratings believes CAL's liquidity position will remain strong backed by robust annual cash generation which is expected to steadily increase from ~Rs 816 crore in fiscal 2026 to Rs 1,000–1,100 crore over the medium term. This will sufficiently cover debt obligation of ~Rs 500 crore in fiscal 2028, with debt obligation in fiscal 2027 largely met through QIP funds. Crisil Ratings expects capex of ~Rs 1,500 crore will be funded through QIP funds, accrual and debt. Furthermore, CAL has adequate headroom in the form of bank limit of Rs 1,375 crore on standalone basis with average utilisation of ~65% (over average drawing power) over the 10 months through April 2026.

ESG Profile
Crisil Ratings believes the Environment, Social and Governance (ESG) profile of CAL adequately supports its existing strong credit risk profile.

The auto component sector has a moderate impact on the environment owing to moderate emissions, water consumption and waste generation. The sector's social impact is also moderate considering the impact of operational activities on employees. CAL is actively focusing on mitigating environmental and social risks.

ESG highlights
- The company reported lower-than-the-peer-average intensities of energy consumption (~52 MWh per Rs crore of revenue) and water withdrawal (~61 kilolitre per Rs crore of revenue), along with relatively low water discharged.
- The company reported lower-than-peers share of renewable energy in the total energy mix.
- The company reported higher-than-peer-average share of workers trained on skills and safety (~83% and ~96% respectively) and employees trained in skills and safety.
- CAL's governance structure is characterised by a high share of women and independent directors on the board (~33% and ~67%, respectively), and dedicated investor grievance redressal system.

While there is growing importance of ESG among investors and lenders, the commitment of CAL to ESG principles will play a key role in enhancing stakeholder confidence, given the high share of market borrowing in its overall debt and access to both, domestic and foreign funds/capital markets.

Outlook Positive
Crisil Ratings believes CAL will benefit from its established market position across its operating segments, strong customer relationships, diversified revenue base and healthy operating efficiency, with turnaround of operations of SLSL and gradual

ramp-up of recently commissioned facilities. The financial risk profile is healthy and will benefit from the QIP fund raise and materially improving debt metrics, notwithstanding higher capex.

Rating sensitivity factors
Upward factors
- Sustained healthy business performance resulting in steady cash generation
- Prudent capital spending and working capital management, and better-than-expected cash generation leading to improvement in financial risk profile and debt metrics – for instance net debt/Ebitda sustaining below 1.80-2.00 times

Downward factors
- Significantly weak operating performance impacting annual cash generation
- Large, debt-funded capex or acquisition or significant stretch in working capital requirement, impacting debt metrics; for instance, net Debt/Ebitda remaining in excess of 2.50-2.75 times

About the Company
Incorporated in 1986 in Coimbatore, Tamil Nadu, by S Ravi, CAL manufactures several components and sub-assemblies on supply and jobwork basis according to client specifications in the auto, industrial and engineering segments. Key products in the auto segment include power train products, cylinder blocks, cylinder heads, cam shafts and crank cases for CVs, sports utility vehicles, two-wheelers, farm equipment and earthmoving and construction equipment.

The company also has a non-ferrous sand foundry catering to power transmission equipment manufacturers. Its industrial and engineering business has a wide range of products, including industrial gears, storage solutions, material handling and locomotive engine components. CAL has a tool room that supplies dies for injection moulding and mould bases. Moreover, it manufactures special-purpose machines for metal and non-metal cutting.

Shareholding of the promoter, S Ravi, and his family members in CAL is expected to reduce to 44.4% from 48.7% post the QIP, with institutional investors and others, including public, holding the balance.

Key Financial Indicators – Consolidated

As on / for the period ended March 31*		2026	2025
Revenue	Rs crore	8082	5693
PAT	Rs crore	346	164
PAT margin	%	4.28	2.87
Adjusted debt/Adjusted networth	Times	1.17	0.78
Interest coverage	Times	4.21	3.97

**Crisil Ratings adjusted numbers*

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.

Please note:
More details including a list of activities or instruments, along with the names of respective financial sector regulators (FSRs) whose purview they fall under, is available in 'Annexure – List of Instruments and Names of Regulators' below.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook	Regulator Of Instrument
NA	Non-Fund Based Limit	NA	NA	NA	655.00	NA	Crisil A1+	RBI
NA	Working Capital Demand Loan	NA	NA	NA	900.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	30-Jun-29	46.50	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	31-Mar-30	30.00	NA	Crisil AA-/Positive	RBI

NA	Long Term Loan	NA	NA	31-May-29	43.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	30-Nov-30	61.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	31-Jul-32	150.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	31-Dec-31	163.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	31-Oct-31	92.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	30-Jun-32	150.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	30-Sep-30	150.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	31-May-32	200.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	31-Dec-32	150.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	31-Mar-31	68.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	31-Aug-30	73.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	31-Jul-29	70.50	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	31-Dec-26	21.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	30-Nov-29	73.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	30-Jun-31	134.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	30-Sep-31	110.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	28-Feb-31	89.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	31-Mar-33	100.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	28-Feb-33	200.00	NA	Crisil AA-/Positive	RBI
NA	Long Term Loan	NA	NA	30-Nov-32	200.00	NA	Crisil AA-/Positive	RBI
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	21.00	NA	Crisil AA-/Positive	RBI

Annexure – List of entities consolidated

Names of entities consolidated	**Extent of consolidation**	**Rationale for consolidation**
Craftsman Europe B V Netherlands	Full	Common management and financial linkages
DR Axion India Pvt Ltd	Full	Common management and financial linkages
Sunbeam Lightweighting Solutions Ltd	Full	Common management and financial linkages
Craftsman Germany GmBH, Germany	Full	Common management and financial linkages
Craftsman Fronberg Guss GmbH, Germany	Full	Stepdown subsidiary; common management and financial linkages
Craftsman Fronberg Guss Immobilien GmBH, Germany	Full	Stepdown subsidiary; common management and financial linkages
Suprash Developers Pvt Ltd	Full	Stepdown subsidiary; common management and financial linkages
Srikara Technologies Pvt Ltd	Full	Stepdown subsidiary; common management and financial linkages

Annexure - Rating History for last 3 Years

	Current			2026 (History)		2025		2024		2023		Start of 2023
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	3295.0	Crisil AA-/Positive	20-03-26	Crisil AA-/Stable	12-12-25	Crisil AA-/Stable	16-10-24	Crisil AA-/Stable	20-07-23	Crisil AA-/Stable / Crisil A1+	Crisil A1 / Crisil A+/Stable
			--		--	22-08-25	Crisil AA-/Stable	13-08-24	Crisil AA-/Stable	09-01-23	Crisil A+/Positive / Crisil A1	--
			--		--		--	10-05-24	Crisil AA-/Stable / Crisil A1+		--	--
Non-Fund Based Facilities	ST	655.0	Crisil A1+	20-03-26	Crisil A1+	12-12-25	Crisil A1+	16-10-24	Crisil A1+	20-07-23	Crisil A1+	Crisil A1
			--		--	22-08-25	Crisil A1+	13-08-24	Crisil A1+	09-01-23	Crisil A1	--
			--		--		--	10-05-24	Crisil A1+		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Long Term Loan	200	HDFC Bank Limited	Crisil AA-/Positive
Long Term Loan	200	State Bank of India	Crisil AA-/Positive
Long Term Loan	200	Indian Bank	Crisil AA-/Positive
Long Term Loan	150	Bajaj Finance Limited	Crisil AA-/Positive
Long Term Loan	68	Indian Overseas Bank	Crisil AA-/Positive
Long Term Loan	73	HDFC Bank Limited	Crisil AA-/Positive
Long Term Loan	70.5	Exim Bank	Crisil AA-/Positive
Long Term Loan	21	International Finance Corporation	Crisil AA-/Positive
Long Term Loan	73	The Federal Bank Limited	Crisil AA-/Positive
Long Term Loan	134	The Federal Bank Limited	Crisil AA-/Positive
Long Term Loan	61	State Bank of India	Crisil AA-/Positive
Long Term Loan	46.5	Axis Bank Limited	Crisil AA-/Positive
Long Term Loan	30	Bajaj Finance Limited	Crisil AA-/Positive
Long Term Loan	100	State Bank of India	Crisil AA-/Positive
Long Term Loan	43	Indian Bank	Crisil AA-/Positive
Long Term Loan	110	Kotak Mahindra Bank Limited	Crisil AA-/Positive
Long Term Loan	89	IndusInd Bank Limited	Crisil AA-/Positive
Long Term Loan	150	IDBI Bank Limited	Crisil AA-/Positive
Long Term Loan	163	State Bank of India	Crisil AA-/Positive
Long Term Loan	92	Axis Bank Limited	Crisil AA-/Positive
Long Term Loan	150	Axis Bank Limited	Crisil AA-/Positive
Long Term Loan	150	The Karnataka Bank Limited	Crisil AA-/Positive
Non-Fund Based Limit	50	Axis Bank Limited	Crisil A1+
Non-Fund Based Limit	90	Standard Chartered Bank	Crisil A1+
Non-Fund Based Limit	330	State Bank of India	Crisil A1+
Non-Fund Based Limit	60	RBL Bank Limited	Crisil A1+
Non-Fund Based Limit	50	Indian Bank	Crisil A1+
Non-Fund Based Limit	25	YES Bank Limited	Crisil A1+
Non-Fund Based Limit	50	The Federal Bank Limited	Crisil A1+
Proposed Long Term Bank Loan Facility	21	Not Applicable	Crisil AA-/Positive

Working Capital Demand Loan	**60**	**Standard Chartered Bank**	**Crisil AA-/Positive**
Working Capital Demand Loan	**75**	**Axis Bank Limited**	**Crisil AA-/Positive**
Working Capital Demand Loan	**265**	**State Bank of India**	**Crisil AA-/Positive**
Working Capital Demand Loan	**100**	**RBL Bank Limited**	**Crisil AA-/Positive**
Working Capital Demand Loan	**80**	**YES Bank Limited**	**Crisil AA-/Positive**
Working Capital Demand Loan	**100**	**Indian Bank**	**Crisil AA-/Positive**
Working Capital Demand Loan	**60**	**The Federal Bank Limited**	**Crisil AA-/Positive**
Working Capital Demand Loan	**100**	**HDFC Bank Limited**	**Crisil AA-/Positive**
Working Capital Demand Loan	**60**	**Kotak Mahindra Bank Limited**	**Crisil AA-/Positive**

Annexure: List of instruments and names of regulators of the instruments
As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating activities

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Crisil Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for consolidation
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)

Media Relations	Analytical Contacts	Customer Service Helpdesk
Ramkumar Uppara Media Relations **Crisil Limited** M: +91 98201 77907 B: +91 22 6137 3000 ramkumar.uppara@crisil.com **Kartik Behl** Media Relations **Crisil Limited** M: +91 90043 33899 B: +91 22 6137 3000 **kartik.behl@crisil.com** **Divya Pillai** Media Relations **Crisil Limited** M: +91 86573 53090 B: +91 22 6137 3000 **divya.pillai1@ext-crisil.com**	Anuj Sethi Senior Director **Crisil Ratings Limited** D:+91 44 6656 3108 anuj.sethi@crisil.com Poonam Upadhyay Director **Crisil Ratings Limited** D:+91 22 6137 3386 poonam.upadhyay@crisil.com DHANASEELAN CHANDRAN Manager **Crisil Ratings Limited** B:+91 44 6656 3100 dhanaseelan.chandran@crisil.com **For Analytical queries** Toll Free Number: 1800 266 6550 ratingsinvestordesk@crisil.com	Timings: 10.00 am to 7.00 pm Toll Free Number: 1800 267 3850 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com

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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).

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For more information, visit www.crisilratings.com

About Crisil Limited

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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.

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Crisil Ratings’ products / activities or ratings of instruments other than ‘securities that are listed or proposed to be listed’ may fall under the purview of financial sector regulators (FSRs) other than SEBI. In respect of such products / activities or ratings (under the purview of other FSRs such as Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA), Insurance Regulatory and Development Authority of India (IRDAI), among others), the grievance / dispute redressal and investor protection mechanisms available under SEBI regulations shall not be applicable.

A list of products/activities or ratings of instruments falling under the purview of various FSRs along with the names of respective FSRs has been duly disclosed by Crisil Ratings on its website. A link to the same has been provided below for ready reference:

https://www.crisilratings.com/en/home/our-business/ratings/regulatory-disclosures/list-of-activities-instruments-and-names-of-regulators.html

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.crisilratings.com/en/home/our-business/ratings/credit-ratings-scale.html**

Crisil Ratings

Rating Rationale

June 29, 2026 | Mumbai

DR Axion India Limited

Rating outlook revised to 'Positive'; Ratings Reaffirmed

Rating Action

Total Bank Loan Facilities Rated	Rs.525 Crore	Regulator Of Instrument
Long Term Rating	Crisil AA-/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)	RBI
Short Term Rating	Crisil A1+ (Reaffirmed)	RBI

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 revised its outlook on the long-term bank facilities of DR Axion India Limited (DRAIL) to '**Positive'** from 'Stable' while reaffirming the rating at '**Crisil AA-**'. The short-term rating has been reaffirmed at 'Crisil A1+'.

The revision in outlook follows similar rating action on the debt facilities of the parent, Craftsman Automation Limited (CAL; 'Crisil AA-/Positive/Crisil A1+). The ratings of DRAIL continue to reflect the strong parentage of CAL and continued healthy business risk profile of DRAIL supported by its established position as a leading supplier of cylinder heads and blocks to leading passenger vehicle (PV) original equipment manufacturers (OEMs). The ratings are also supported by the healthy operating efficiency and comfortable financial risk profile. These strengths are partially offset by exposure to risks posed by high product and customer concentration, those associated with a single location plant, and any slowdown in demand due to dependence for PVs, and susceptibility of the operating margin to volatility in raw material cost.

Crisil Ratings also notes that, on March 11, 2026, CAL intimated the exchanges that its Board of Directors have approved the scheme of consolidating its aluminum business by merging its subsidiaries i.e. DRAIL, rated 'Crisil AA-/Positive/Crisil A1+') and Sunbeam Lightweighting Solutions Ltd (SLSL, rated 'Crisil BBB+/Crisil A2/Watch Positive') together effective April 1, 2026 Presently, DRAIPL and SLSL have obtained approvals from their shareholders and the majority of their creditors, and have filed applications with the National Company Law Tribunal (NCLT), Chennai and Chandigarh, where their respective ROCs are situated. Subsequently, the case has been transferred to NCLT, Chandigarh, being jurisdiction of the transferee company The merger is expected to be completed by the end of fiscal 2027. Upon successful completion of the merger with SLSL, DRAIL will cease to exist, and its debt facilities will move to SLSL. Post merger, the combined entity i.e. SLSL and DRAIL are expected to have revenues of Rs.2900-3100 crore with operating profitability of ~14% respectively over the medium term. The debt levels of combined entity are expected to be at Rs.1000-1050 crore against adjusted networth of around Rs. 800-900 crore reflecting healthy gearing of 1.5 times.

Revenues of DRAIL grew by 25% in fiscal 2026 to Rs 1,619 crore from Rs 1,299 crore in fiscal 2025 driven by healthy orders from key customers and execution of a major export order. Over the medium term, revenue growth is expected to be 5-6% supported by strong OEM demand and increase in share of revenues with Mahindra and Mahindra Limited (M&M) is expected to drive the in the near to medium term

Operating margin was healthy at 18.22% during fiscal 2026, led by healthy volume growth which helped to improved fixed cost absorption, along with improved cost efficiency. Crisil Ratings expects that the operating margin of DRAIL is expected to remain rangebound at 17-18% over the medium term despite increase in raw material prices and other allied costs, on account of built in pass-through clauses and cost control measures undertaken.

The financial risk profile continues to remain healthy supported by steady cash accrual despite increase in overall debt levels to Rs 172 crores in fiscal 2026 from Rs 88 crore in fiscal 2025, primarily on account of Rs. 125 crore of term debt availed for the acquisition of Suprash Developers Pvt Ltd and its wholly owned subsidiary Srikar Technologies Pvt Ltd, both the companies holding land parcels in Sriperumbudur, Chennai. Besides, DRAIL has extended corporate guarantee (CG) to its group company, SLSL for the term loans availed to the extent of ~Rs 400 crores of which Rs. 27 crore is repaid. This resulted in overall adjusted debt increasing to Rs. 572 crore, thereby leading to moderation of debt protection metrics like debt/EBITDA to ~1.94 times (0.39x a year ago) and gearing of 0.83 times (0.17x a year ago). DRAIL is expected to avail debt of ~Rs.150-180 crore in current fiscal towards capex purposes, with overall adjusted debt levels increasing to Rs 700-750 crore (including Rs. 400 crore of CG to SLSL) by the end of fiscal 2027. However, on completion of the merger with SLSL, the corporate guarantees extended is expected to be canceled resulting in reduction of debt levels.

Over the medium term, Liquidity continues to remains healthy with expected cash accruals of Rs.220-250 crore against repayment of Rs 50-60 crore and incremental working capital requirements. Capex over the medium term is expected to be around Rs 150-200 crore, for construction of new facility and regular maintenance capex. The company's setting up a new manufacturing plant in Chennai. The total cost of project is estimated to be ~Rs 280 crore, the same is proposed to be funded through combination of internal accruals and external debt, of which Rs.180 crore has been tied up and Rs.25-30 crore has been availed so far. DRAIL has spent Rs 200 crores in fiscal 2026 including Rs 146 crores for acquisition of land holding companies land near SIPCOT, Sriperumbudur, Chennai. Besides company has cash balances of Rs 17 crore as of March 31, 2026 and Rs 105 crore short-term fund-based facilities, which were sparsely utilised for the 12 months through March 2026.

Analytical Approach

Crisil Ratings has followed a standalone approach for the credit risk assessment of DRAIL, and applied its parent notch-up framework to factor in strong operational linkages, financial and managerial support to be provided by CAL.

Corporate guarantees of ~Rs.400 crore extended by DRAIL to SLSL has been considered as part of debt at DRAIL.

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

Key Rating Drivers - Strengths

Established relationship with auto OEMs in PV segment reflecting in healthy order book

DRAIL continues to maintain healthy relationships with key customers, namely Hyundai Motor India Ltd (HMIL, ‘Crisil AAA/Stable/Crisil A1+’) and Kia Motor India Ltd (KMIL), being their sole supplier for cylinder heads. While the company has also started supplying cylinder blocks and heads to Mahindra and Mahindra Ltd (M&M, ‘Crisil AAA/Stable/Crisil A1+’). CAL’s strong relationship with M&M has helped DRAIL in increasing its wallet share resulting in increase in revenue share from M&M, which at present is DRAIL’s largest customer with 42% revenue share in fiscal 2026.

DRAIL had also bagged an annual order of around Rs 100 crore for three years from a Korean customer, which the company had started to supply in the current fiscal thereby boosting revenue growth to over ~30% year-on-year (yoy) in the first nine months of current fiscal. Further the company is expected to supply for next eighteen months, which is expected to aid the overall revenues over the medium term.

Improving cost efficiency, aiding operating capability

The erstwhile ultimate parent, DR Axion, Korea is a global component supplier to plants of the Hyundai group in China and South Korea. It has provided operational support and technical expertise to DRAIL, which has helped it establish strong relationships with the Hyundai group OEMs (HMIL and KMIL) operating in India. DRAIL also employs modern automated production lines similar to those used by DR Axion, Korea, which helps reduce maintenance expenses.

DRAIL has ISO/TS 16949:2009, ISO 14001:2004 and OHSAS 18001:2007 and HMI Quality 4-star certifications. It has over 10 separate production lines dedicated for each project, thus enabling seamless and simultaneous production. As per the arrangement with DR Axion, Korea, key personnel continue to be deputed from the erstwhile ultimate parent at DRAIL, even post-acquisition by CAL.

CAL, by virtue of its vast experience in the automotive component space, and in similar segments as DRAIL, is expected to enhance productivity and quality of DRAIL’s output and also enhance its ability to launch new products and increase the share of business from existing customers. Along with focus on increasing automation, common sourcing of aluminium should also help CAL enhance its operating margin. The operating margin should remain healthy with already posting ~15% during the first nine months of fiscal 2026 and is estimated to remain at healthy levels over the medium term supported by optimal sale volumes and cost rationalisation initiatives earlier undertaken. Return on capital employed was also healthy at 27.55% in fiscal 2026; and is expected healthy around ~17-20% over the medium term despite considering the corporate guarantees (CG) issued as debt.

Healthy financial risk profile

The financial risk profile continues to remain healthy supported by steady cash accrual despite increase in overall debt levels to Rs 572 crores in fiscal 2026 from Rs 88 crore in fiscal 2025. DRAIL has extended corporate guarantee (CG) to its group company, SLSL for the term loans availed to the extent of Rs 400 crores of which Rs. 27 crore repaid during the fiscal 2026. This resulted in moderation of debt protection metrics like debt/EBITDA to ~1.94 times (0.39x a year ago)and gearing 0.83 times (0.17x a year ago). Besides, company has availed a term debt of Rs 180 crore towards construction of its new facility, outstanding of which is expected Rs 25-30 crore as June 2026. DRAIL is expected to avail the balance amount in current fiscal, with overall debt levels increasing to Rs 250-300 crore at the end of fiscal 2027

DRAIL to benefit from the strong parentage of CAL

DRAIL has become a wholly owned subsidiary of CAL since the residual shareholding of 24% were acquired in June 2024, resulting in revocation of annual royalty payments to its erstwhile parent. With CAL’s vast industry expertise in automotive components, spanning over three decades, DRAIL is expected to receive strong managerial, operational and financial support on exigencies.

CAL also benefits from access to DR Axion, Korea’s technology for manufacture of components for PVs. Common sourcing of primary raw material, aluminum is also undertaken by CAL, from its wide range of vendors (compared with sole supplier for DRAIL earlier), which enables cost savings for DRAIL.

CAL and DRAIL both operate in the auto components space and have strengths in complementary areas. CAL operates in high-pressure die castings, low-pressure die castings (LPDC), gravity die casting (GDC) and sand casting of components, while DRAIL has presence mainly in LPDC and GDC components.

CAL provides strategic support and oversight to DRAIL across various areas. Besides, four of the board of directors of CAL are on the board of DRAIL.

Key Rating Drivers - Weaknesses

Exposure to risks posed by product and customer concentration and those related to presence in a single location

While DRAIL was not present in the export segment till fiscal 2024, company commenced its export supplies of Rs.100 crore annually to a Korean customer. However, in the aftermarket (given the nature of products which are critical engine components with a long life), it does face segment concentration risk. With estimated increase in penetration of electric vehicles (EVs) in the next 5-6 years, current components that DRAIL manufactures are only used in internal combustion engines (ICE) of PVs. That said, share of EV cars in overall PVs sold should not exceed 20-25% over the next five years, which will ensure steady business for DRAIL over the medium term.

Customer concentration is also high with over ~83% revenue generated from M&M, HMIL and KMIL in first nine months of fiscal 2026 and in previous fiscal. However, this risk is partly mitigated by the fact that these three OEMs account for over 34% market share (first nine months of fiscal 2026) in the domestic PV market. That said, with its entire revenue coming from the PV segment and manufacturing operations concentrated at a single location, any slowdown in PV sales or any operational challenges at the manufacturing unit may adversely impact the operations. However, the company is planning to setup a new facility, which is expected to commence operations from the last quarter of fiscal 2027 onwards partly mitigating the single location concentration risk.

Volatile aluminium prices could affect operating margin

The operating margin remains exposed to fluctuations in raw material prices. Prices of aluminium, its key raw material, has been highly volatile over the last few fiscals. Specifically, aluminum prices surged by 50-60% between fiscals 2022 and 2023, then declined in fiscal 2024 However, the trend reversed again with prices rising in fiscal 2025 and further escalating in fiscal 2026, marking a sustained upward trend. As the company has a quarterly pricing arrangement with customers, it will not be able to pass the entire increase in raw material prices to end customers, which then causes the margin to fluctuate. However, the same is mitigated by the centralised raw material procurement post-acquisition and alignment of the inventory policy with CAL.

Liquidity Strong

Company has strong liquidity driven by cash generation of Rs 200-230 crore annually which will suffice to cover the annual debt obligation of Rs 50-60 crore, incremental working capital and also part funding capex requirements over the medium term. Need-based support from CAL may also be forthcoming.

Outlook Positive

DRAIL will benefit from the strong operational and financial support provided by the parent, CAL. The ratings also factor in the established relationships with customers and suppliers, healthy order book and strong operating efficiency. The company is also expected to sustain its healthy financial risk profile, supported by efficient working capital management and prudent capital spend. The ongoing merger with SLSL will result in better customer base, enhanced geographical presence and with the financial profile continuing to remain healthy.

Rating sensitivity factors

Upward factors

- Healthy double-digit growth in revenues, supported by better customer and product diversity, post merger with SLSL, and operating profitability sustained at ~18%, leading to better-than-expected cash generation.
- Sustenance of healthy financial risk profile and debt metrics.
- Improvement in credit profile of CAL, by one or more notches.

Downward factors

- Sluggish revenue or decline in operating profitability below 13% on sustained basis, post merger with SLSL impacting cash accruals.
- Large, debt-funded capex or elongation of working capital cycle, impacting debt metrics materially.
- Downward revision in the credit risk profile of CAL or change in stance of support.

About the Company

Incorporated in December 2006, DRAIL manufactures cylinder heads and blocks, which are critical auto components used in PVs, as an outer shell of ICEs. The manufacturing facility at Tiruvallur near Chennai has capacity to produce around 17.5 lakh cylinder heads and around 4.3 lakh cylinder blocks per fiscal. The company is 100% held by CAL.

DRAIL recorded operating income of ~Rs 1619 crore and margin of ~18 %, in fiscal 2026 (vis-à-vis Rs 1299 crore and 17.5% respectively, in fiscal 2025)

About the parent (CAL)

Incorporated in 1986 in Coimbatore, Tamil Nadu, by Mr S Ravi, CAL manufactures several components and sub-assemblies on supply and job-work basis, as per client specifications, for the auto, industrial and engineering segments. Key products in the auto segment include power train products, cylinder blocks, cylinder heads, cam shafts and crank cases for CVs, SUVs, two-wheelers, farm equipment and earthmoving and construction equipment.

CAL also has a non-ferrous sand foundry catering to power transmission equipment manufacturers. Its industrial and engineering segment has a wide range of products, including industrial gears, storage solutions, material handling and locomotive engine components. CAL has a tool room that supplies dies for injection moulding and mould base. Moreover, it manufactures special-purpose machines for metal and non-metal cutting.

CAL recently completed fund raising of Rs 2,000 crore via qualified institutional placement in June 2026. This has led to a fall in stake held by promoters, to 44.42% as of June 2026, from 48.70% as of March 2026.

CAL reported a net profit of Rs.346 crore in fiscal 2026 (Rs.172 crore in fiscal 2025) on net operating revenues of Rs.8,082 crores (Rs.5,693 crores).

Key Financial Indicators

As on/for the period ended March 31*		2026	2025
Revenue	Rs crore	1619	1299
Profit after tax (PAT)	Rs crore	186	127
PAT margin	%	11.5	9.8
Adjusted debt/Adjusted networth	Times	1.14	0.17
Interest coverage	Times	13.26	18.34

Crisil Ratings-adjusted numbers

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.

Please note:
More details including a list of activities or instruments, along with the names of respective financial sector regulators (FSRs) whose purview they fall under, is available in 'Annexure – List of Instruments and Names of Regulators' below.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook	Regulator Of Instrument
NA	Letter of Credit	NA	NA	NA	15.00	NA	Crisil A1+	RBI
NA	Working Capital Demand Loan	NA	NA	NA	110.00	NA	Crisil AA-/Positive	RBI
NA	Proposed Term Loan	NA	NA	NA	49.00	NA	Crisil AA-/Positive	RBI
NA	Term Loan	NA	NA	23-Oct-28	11.43	NA	Crisil AA-/Positive	RBI
NA	Term Loan	NA	NA	31-Aug-29	14.17	NA	Crisil AA-/Positive	RBI
NA	Term Loan	NA	NA	31-Mar-33	180.00	NA	Crisil AA-/Positive	RBI
NA	Term Loan	NA	NA	18-Sep-26	14.02	NA	Crisil AA-/Positive	RBI
NA	Term Loan	NA	NA	23-Oct-28	6.38	NA	Crisil AA-/Positive	RBI
NA	Term Loan	NA	NA	31-Dec-32	125.00	NA	Crisil AA-/Positive	RBI

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Suprash Developers Pvt Ltd	Full	Subsidiary
Srikara Technologies Pvt Ltd	Full	Step-down subsidiary

Annexure - Rating History for last 3 Years

	Current			2026 (History)		2025		2024		2023		Start of 2023
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	510.0	Crisil AA-/Positive	20-03-26	Crisil AA-/Stable	12-12-25	Crisil AA-/Stable	13-09-24	Crisil AA-/Stable	02-08-23	Crisil AA-/Stable	--
			--		--		--	10-05-24	Crisil AA-/Stable		--	--
Non-Fund Based Facilities	ST	15.0	Crisil A1+	20-03-26	Crisil A1+	12-12-25	Crisil A1+	13-09-24	Crisil A1+	02-08-23	Crisil A1+	--
			--		--		--	10-05-24	Crisil A1+		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Letter of Credit	**15**	**HDFC Bank Limited**	**Crisil A1+**
Proposed Term Loan	**49**	**Not Applicable**	**Crisil AA-/Positive**
Term Loan	**11.43**	**HDFC Bank Limited**	**Crisil AA-/Positive**
Term Loan	**14.17**	**Axis Bank Limited**	**Crisil AA-/Positive**
Term Loan	**180**	**Axis Bank Limited**	**Crisil AA-/Positive**
Term Loan	**14.02**	**HDFC Bank Limited**	**Crisil AA-/Positive**
Term Loan	**125**	**Bajaj Finance Limited**	**Crisil AA-/Positive**
Term Loan	**6.38**	**HDFC Bank Limited**	**Crisil AA-/Positive**
Working Capital Demand Loan	**55**	**HDFC Bank Limited**	**Crisil AA-/Positive**
Working Capital Demand Loan	**25**	**YES Bank Limited**	**Crisil AA-/Positive**
Working Capital Demand Loan	**30**	**Axis Bank Limited**	**Crisil AA-/Positive**

Annexure: List of instruments and names of regulators of the instruments
As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating activities

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI

20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Crisil Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.
^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

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Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for factoring parent, group and government linkages
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)
Criteria for consolidation

Media Relations	Analytical Contacts	Customer Service Helpdesk
Ramkumar Uppara Media Relations **Crisil Limited** M: +91 98201 77907 B: +91 22 6137 3000 ramkumar.uppara@crisil.com **Kartik Behl** Media Relations **Crisil Limited** M: +91 90043 33899 B: +91 22 6137 3000 **kartik.behl@crisil.com** **Divya Pillai** Media Relations **Crisil Limited** M: +91 86573 53090 B: +91 22 6137 3000 **divya.pillai1@ext-crisil.com**	Anuj Sethi Senior Director **Crisil Ratings Limited** D:+91 44 6656 3108 anuj.sethi@crisil.com Poonam Upadhyay Director **Crisil Ratings Limited** D:+91 22 6137 3386 poonam.upadhyay@crisil.com Srividya D Senior Rating Analyst **Crisil Ratings Limited** B:+91 44 6656 3100 Srividya.D@crisil.com **For Analytical queries** Toll Free Number: 1800 266 6550 ratingsinvestordesk@crisil.com	Timings: 10.00 am to 7.00 pm Toll Free Number: 1800 267 3850 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com

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https://www.crisilratings.com/en/home/our-business/ratings/regulatory-disclosures/list-of-activities-instruments-and-names-of-regulators.html

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Crisil Ratings

Rating Rationale

June 29, 2026 | Mumbai

Sunbeam Lightweighting Solutions Limited

Ratings continues on 'Watch Positive'

Rating Action

Total Bank Loan Facilities Rated	**Rs.600 Crore**	**Regulator Of Instrument**
Long Term Rating	**Crisil BBB+/Watch Positive (Continues on 'Rating Watch with Positive Implications')**	**RBI**
Short Term Rating	**Crisil A2/Watch Positive (Continues on 'Rating Watch with Positive Implications')**	**RBI**

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 continued its ratings on the bank loan facilities of Sunbeam Lightweighting Solutions Limited (SLSL, formerly known as Sunbeam Lightweighting Solutions Pvt Ltd) on '**Rating Watch with Positive Implications'**.

The ratings were placed on 'Watch with positive implications' following the announcement by SLSL's parent, Craftsman Automation Ltd (CAL, rated "Crisil AA-/Positive/Crisil A1+") on March 11, 2026, that its Board of Directors have approved the scheme of consolidating its aluminum business by merging its subsidiaries i.e. DR Axion India Ltd (DRAIL, rated "Crisil AA-/Positive/Crisil A1+") and SLSL together effective April 1, 2026.

Presently, DRAIL and SLSL have obtained approvals from their shareholders and the majority of their creditors, and have filed applications with the National Company Law Tribunal (NCLT), Chennai and Chandigarh, where their respective ROCs are situated. The case has been transferred to NCLT, Chandigarh, which is the jurisdiction of the transferee company; the merger is expected to be completed by the end of fiscal 2027. Upon successful completion of the merger with SLSL, DRAIL will cease to exist, and its debt facilities will move to SLSL. The merger will result in a substantial improvement in the business and financial risk profile of SLSL, due to DRAIL's strong business profile, healthy profitability, and robust balance sheet.

SLSL's revenues improved by 13% at Rs 1,397 crore in fiscal 2026 from Rs 1,239 crore in the fiscal 2025 on account of steady offtake from its key customers such as Hero MotoCorp Ltd (HMCL, rated 'Crisil AAA/Stable/Crisil A1+') and Maruti Suzuki India Ltd (MSIL, rated 'Crisil AAA/Stable/Crisil A1+') driven by healthy demand in the domestic automobile industry post GST rationalization and sustained export sales. However, over the near to medium term, SLSL's revenues are expected to be rangebound at Rs.1400-1450 focuses on improving profitability rather than pursuing volume growth.

CAL's management has successfully turned around the operations at SLSL. Since the acquisition, CAL has taken several measures, including a significant reduction in the workforce, improvement in product quality, and the successful closure of its high-cost facility in Gurgaon. This has resulted in an improvement in operating profitability to ~4% during fiscal 2026. SLSL had set up an inbuilt foundry to reuse run-riser outputs — residues generated during the casting process. The company aims to enhance its exports and continue automation of operations. It has also implemented price hikes to manage rising input costs amidst the ongoing West Asia crisis. Planned price hikes, coupled with a reduction in input costs, are expected to lead to an improvement in operating profitability to ~8-9% over the medium term.

Financial risk profile, while remaining sub-par, improved materially in fiscal 2025, supported by the infusion of Rs.606 crore from CAL in form of optionally convertible debentures (OCDs), in three tranches of Rs.240 crore, Rs. 136 crore and Rs.230 crore. This, along with equity infusion of Rs.180 crore by erstwhile majority stakeholder, Kedaara, helped net worth turn positive in fiscal 2025. Net losses have narrowed down in the current fiscal to Rs.40 crore thus aiding the networth to continue remaining positive at the of fiscal 2026.

SLSL tied up long-term debt of Rs.390crore (basis letter of comfort from DRAIL) and working capital limits of Rs.200 crore in the current fiscal to settle the creditors and towards part financing its capex requirements. Earlier, during fiscal 2025, the company utilized Rs.236 crore out of its long-term bank loan facilities to settle some creditors and fund its capital expenditure of over Rs.135 crore which was spent towards replacement of older machineries and modernization of existing machines and factories. As of March 31, 2026, total debt at SLSPL were at Rs.776 crore which included bank debt of Rs.496 crore (short-term of Rs.150 crore and long-term of Rs.346 crore) and OCDs from CAL (third tranche) of Rs.230 crore and a loan of Rs 50 crore from DRAIL.

Liquidity of SLSL will be supported by the increase in net cash accruals expected over ~Rs.90-110 crore over the next 2 fiscals driven by improvement in operating profitability. SLPL is also expected to receive Rs 18 crore in fiscal 2027 which pertains to profit from the sale of piston division. Increase in net cash accruals is expected to cover the bank debt obligation of around ~Rs 82 crore in fiscal 2027. Debt protection metrics such as interest cover and debt to earnings before interest tax depreciation and amortization (EBITDA) is expected around 2-3 times and 8-9 times at the end of current fiscal and will see improvement with better operating profitability next fiscal onwards. Company has capex plans limited towards maintenance purposes to an extent of Rs.50-60 crore which will be partly funded through debt. Timely support from CAL is anticipated to be forthcoming in case of exigencies.

Post merger, the combined entity i.e. SLSL and DRAIL are expected to have revenues of Rs.2900-3100 crore with operating profitability of ~14% respectively over the medium term. Besides the combined entity will have a much higher diversified base of customers comprising leading original equipment manufacturers (OEMs) of passenger vehicles and two-wheelers. Crisil Ratings expects the debt levels of combined entity to be at Rs.1000-1050 crore against adjusted networth of around Rs. 800-900 crore reflecting healthy gearing of 1.5 time. With estimated operating profits of Rs.420-450 crore. debt protection metrics too will remain strong with debt to earnings before interest depreciation and amortization (EBITDA) to be less than ~2.5 time and healthy interest cover of 7-8 times respectively. SLSL plans to sell the surplus land of its Gurugram unit in the near term, and utilize proceeds to retire a major portion of the debt availed by SLSL and/or retire part of the OCDs (third tranche) availed from CAL. However, in case of successful land sale completion, debt metrics will witness significant improvement also aiding increase in networth arising from gains on land sale, and lower debt levels.

Crisil Ratings will continue to monitor the progress on approvals and on completion of all formalities, hold discussions with the management of the combined entity post completion of the merger, to understand business and capex plans. The rating watch will be resolved and final rating of SLSL announced once the merger process has been approved, and there is clarity with respect to business plans and operations, from the management of the combined entity.

The rating reflects the established business risk profile of SLSL, with supplier commitments for aluminium die casting component (ADCCs) segment with leading automobile original equipment manufacturers (OEMs), healthy export prospects and further improvement in operating capabilities with ongoing cost optimisation initiatives. These strengths are offset by high revenue dependence on select OEMs, which exposes the company's operating performance to cylicality associated with the automobile sector, and moderate though improving financial risk profile.

Analytical Approach

Crisil Ratings has followed a standalone approach for credit risk assessment of SLSL, and applied its parent notch-up framework, factoring in strong operational linkages, financial and managerial support to be provided by CAL.

Also, Crisil Ratings has considered Rs. 230 crores of OCDs from CAL as debt, since the same is expected to be repaid back upon completion of sale of non-core assets at SLSL.

Key Rating Drivers - Strengths

SLSL to benefit from strong parentage of CAL

SLSL was earlier owned by Kedaara Capital Fund II LLP (Kedaara). In fiscal 2024, SLSL was in process of raising material equity to retire its high cost debt, but the plan did not materialize, and continuing liquidity pressures led to delays in debt servicing obligations in June 2024. Subsequently, CAL acquired SLSL from Kedaara and became a wholly-owned subsidiary of CAL from October 9, 2024. While the initial acquisition was completed for Re 1, CAL had already infused Rs 376 crore via OCDs (Rs 136 crore (tranche I) on October 7, 2024 and Rs 240 crore (tranche II) on October 9, 2024), excluding the initial earnest money deposit (EMD) of Rs 50 crore which was returned to CAL during the fiscal. Besides the initial investment of Rs.376 crore, CAL also infused Rs.230 crore in form of OCDs at the end of October 2024. With its vast industry expertise spanning three decades in the automotive components industry, CAL is expected to provide strong managerial, operational and financial support (if required) to SLSL.

Kedaara infused funds into SLSL prior to acquisition by CAL, as part of the restructuring exercise carried out as SLSL. The funds raised from CAL and Kedaara were used to pay down long term debt holders, creditors as well as working capital debt. SLSL also benefitted from gain on settlement of borrowings based on one-time settlement with its earlier lenders to the extent of Rs.148 crore, partially offsetting the expenses of account of VSP.

CAL is also an established player in the ADCC segment, with strong technical abilities and a healthy financial risk profile. CAL is one of the leading players in the domestic ADCC business with presence across OEMs in the passenger vehicle (PV) and commercial vehicle segments. CAL is expected to use its healthy and established operating capabilities to gradually further improve the SLSPL's over the medium term. Besides, operational, managerial and financial support is also expected to be forthcoming.

SLSL is expected to optimize operations in few manufacturing facilities with the help of CAL. Necessary machinery from Gurgaon plant has been shifted to other lower cost facilities. SLSL also benefits from access to CAL's domestic and overseas clients in the ADCC market. Contrarily, the parent is expected to benefit from technological diversification, as it primarily operates in the higher-tonnage high-pressure die-casting (HPDC) segment, while SLSL operates in the lower-tonnage HPDC segment.

CAL provides strategic support and oversight to SLSL across various areas. Besides, four of the directors of CAL have been inducted into Board of SLSL including two Independent Directors. Given the common businesses and diversified customer base with acquisition of SLSL, CAL is expected to provide necessary support in the event of financial exigencies as well. SLSL has also received support in terms of letter of comfort from DRAIL for debt facilities raised post-acquisition by CAL.

Furthermore, CAL has also demonstrated its ability to substantially improve operations and operating capabilities at DRAIL, that it acquired in February 2023. Post takeover by CAL, the operating margin of DRAIPL improved to ~18% in fiscal 2026 as compared to 17% in fiscal 2025, 13.4% in fiscal 2023 and 7.8% in fiscal 2022, respectively.

Established market position in the domestic ADCC market and strong business linkages with leading OEMs: SLSL is one of the prominent ADCC manufacturers in India. It is the principal supplier of ADCC to few leading OEMs in the two-wheeler and four-wheeler segments. The manufacturing units in Tapukara, Salarpur, Bawal, Ludhiana and Halol are located in proximity to customers.

The company has strong business linkages with India's leading automotive OEMs such as HMIL and MSIL. Apart from having a diverse customer base, sustained volumes from the domestic two-wheeler (2W) industry aids its stable revenue share of ~60% and sustained domestic PV volumes keeping its revenue share of 33-35% in fiscal 2025. This is also driven by SLSPL's initiative to increase the share of exports, which are margin accretive in nature. Revenue share of exports is at ~15% in fiscal 2026, as compared to 13-14% in earlier fiscals, with bulk of revenue coming from North America and Mexico. SLSL plans to increase its export revenue share to 20% over the medium term.

Improving cost structure; to further expand in near to medium term: SLSL had retired its entire set of contract and permanent workforce at its Gurgaon facility while some key personnel have been transferred to other locations. High employee costs along with low-margin orders, had been impacting operations over the last few fiscals. However, now with completion of VSP for its Gurgaon facility employees, operating profits are set to improve steadily going forward. Employee cost as % of sales further reduced to 7% in fiscal 2026 as compared to 13% of sales in fiscal 2025, however this is expected to further fall to 9-10% of sales over medium term. This improvement along with SLSPL's plans to increase the share of high-margin orders, supported by product quality improvement arising from replacement of older machines and automation of existing lines is expected to improve operating margins to 8-9% over the medium term.

Key Rating Drivers - Weaknesses

Exposure to customer and segment concentration risk: HMCL and MSIL accounted for 70-75% of domestic sales of SLSL in the past. However, during fiscal 2025, the share has dropped to around 60% of overall revenue, with a conscious effort by SLSL to retain the relationship with other customers, as it was witnessing large working capital requirement due to increase in cost of operations. Nevertheless, limited segmental diversification and large dependence on key clients make the company's performance highly dependent on the performance of OEMs. Slowdown in production volume of HMCL had affected demand for SLSPL during the pandemic. In an attempt to diversify its customer base, the company has been adding clients actively and focusing on exports. Nevertheless, it remains susceptible to any significant decline in demand from key vehicle segments/customers. Like SLSL, its peers too have been impacted by weak demand for motorcycles between fiscals 2021-23; though peers were better positioned due to customer and segmental diversity and presence in export markets.

Vulnerability to offtake from automotive OEMs, especially during cyclical downturns: Intense competition in the domestic automobile industry limits the pricing power for automotive component suppliers. SLSL has the flexibility to pass on the hike in input cost (aluminium) with a lag of 3-4 months, but not the increase in other manufacturing overheads. However, with CAL taking over SLSL, renegotiation of prices with key customers should lead to better profitability over the medium term.

In case of a prolonged slowdown and declining demand, OEMs may not be able to pass on any hike in cost to end-users. In this scenario, the hike is absorbed jointly by component manufacturers and OEMs. Profitability, thus, remains exposed to pricing pressures from OEMs. Besides, during business downturns, OEMs frequently alter their production schedules due to market uncertainties, thereby impacting offtake of supplies and leading to increased vulnerability of component suppliers, especially those such as SLSL.

Sub-par although improving financial risk profile: Subdued performance over the past 4-5 years and net losses weakened debt protection metrics, despite continued equity infusion by Kedaara till first half of fiscal 2025. Employee costs have been pruned post takeover by CAL by offering VSP to employees at Gurgaon facility, which has helped curtail operating losses.

CAL plans to continue its modernisation and debottlenecking measures at SLSPL's facilities to optimise operations. This would entail capex of Rs 50-60 crore in fiscal 2027 which will be partly funded through debt. As of March 31, 2026, total debt at SLSPL were at Rs.776 crore which included bank debt of Rs.496 crore (short-term of Rs.150 crore and long-term of Rs.346 crore) and OCDs from CAL (third tranche) of Rs.230 crore and a ICD's of Rs 50 crore from DR Axion. Debt protection metrics such as interest cover and debt to earnings before interest tax depreciation and amortization (EBITDA) is expected around 2-3 times and 8-9 times at the end of current fiscal and will see improvement with better operating profitability next fiscal onwards. Nevertheless, upon successful monetization of Gurgaon plant, debt levels are expected to significantly come down resulting in improvement of gearing to less than 1.7 times (including OCDs of Rs.230 crore as debt) at the end of next fiscal. Other debt protection measures such as interest cover and net cash accrual to adjusted debt ratios are also set to improve from next fiscal. With pace of recovery being steeper in the event, debt is pruned down.

Liquidity Adequate

SLSL's liquidity position improved to adequate position after the fund infusions of Rs.606 crore by CAL supporting the company to meet most of its immediate requirements. over ~Rs.90-110 crore over the next 2 fiscals driven by improvement in operating profitability. Cash accrual from operations and proceeds from sale of piston business will be adequate to cover the bank debt obligation of around ~Rs 82 crore in fiscal 2027 while the company's capex plan of Rs.50-60 crore over medium term is expected to be partly funded through debt. Company also has access to working capital limits of Rs.200 crore which were utilized over ~90% (against drawing power) for the past 10 months ended March 2026. Need-based support from CAL is expected to be forthcoming, in case of exigent fund requirements.

Rating sensitivity factors

Upward factors:

- Better-than anticipated recovery in revenue and operating margin of >7-8%, benefitting cash generation.
- Improvement in financial risk profile and debt metrics, supported by sale of non-core assets and debt reduction.
- Sustenance of healthy credit profile of CAL.

Downward factors:

- Slower-than anticipated business recovery, leading to continued sluggish revenue growth and modest operating profit (1-2%)
- Increase in debt higher than expected levels due to large capex, or elongation of working capital cycle, or inadequate timely support from CAL leading to continued sub-par debt metrics.
- Downward revision in the credit risk profile of CAL or change in stance of support.

About the Company

SLSL was incorporated in December 2017, as Novy Mir Lightweighting Solutions Pvt Ltd, and was renamed on September 04, 2018, after the complete acquisition of Sunbeam Auto Pvt Ltd (SAPL). Until recently, it was a wholly owned subsidiary of Kedaara, a Mumbai-based private equity fund. SLSL was formed for acquisition of SAPL, which manufactured automotive and automotive components. After the acquisition, SAPL and SLSL were merged into a single entity, SLSL.

CAL entered into securities and subscription and purchase agreement with SLSL and Kedaara for purchase of the entire shareholding held by Kedaara for Re.1 per share. Subsequently, the transaction was completed on October 9, 2024 and since then, SLSL had become a wholly owned subsidiary of CAL.

About the Parent

Incorporated by Mr S Ravi, at Coimbatore, Tamil Nadu, in 1986, CAL manufactures several components and sub-assemblies on supply and job-work basis, as per client specifications in the auto, industrial and engineering segments. Key products in the auto segment include power train products, cylinder blocks, cylinder heads, cam shafts and crank cases for CVs, sports utility vehicles, two-wheelers, farm equipment and earthmoving and construction equipment.

The company also has a non-ferrous sand foundry catering to power transmission equipment manufacturers. Its industrial and engineering segments have a wide range of products, including industrial gears, storage solutions, material handling and locomotive engine components. CAL has a tool room that supplies die for injection moulding and mould base. Moreover, it manufactures special-purpose machines for metal and non-metal cutting.

The company has raised Rs 1,200 crore through qualified institutional placement (QIP) in June 2024. Post which, shareholding of promoters reduced to 48.70%, from 54.99% at the end of March 2024. As of March 2026, the promoters hold 48.7% shareholding while the remaining is held by public.

The company reported a net profit of Rs384 crore in fiscal 2026 (Rs.172 crore in the corresponding period of fiscal 2025) on net operating revenues of Rs.8069 crores (Rs. 5693 crores).

Key Financial Indicators

As on / for the period ended March 31*	**Unit**	**2026**	**2025**
Revenue	**Rs crore**	**1397**	**1239**
PAT	**Rs crore**	**(40)**	**(53)**
PAT margin	**%**	**(2.9)**	**(4.3)**
Adjusted debt/adjusted net worth	**Times**	**21.47**	**7.03**
Interest coverage	**Times**	**1.41**	**(0.34)**

**Crisil Ratings adjusted numbers*

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.

Please note:
More details including a list of activities or instruments, along with the names of respective financial sector regulators (FSRs) whose purview they fall under, is available in 'Annexure – List of Instruments and Names of Regulators' below.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook	Regulator Of Instrument
NA	Packing Credit	NA	NA	NA	50.00	NA	Crisil A2/Watch Positive	RBI
NA	Working Capital Demand Loan	NA	NA	NA	150.00	NA	Crisil BBB+/Watch Positive	RBI
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	10.00	NA	Crisil BBB+/Watch Positive	RBI
NA	Term Loan	NA	NA	12-Dec-28	100.00	NA	Crisil BBB+/Watch Positive	RBI
NA	Term Loan	NA	NA	27-Mar-32	100.00	NA	Crisil BBB+/Watch Positive	RBI
NA	Term Loan	NA	NA	01-Oct-30	75.00	NA	Crisil BBB+/Watch Positive	RBI
NA	Term Loan	NA	NA	12-Dec-30	50.00	NA	Crisil BBB+/Watch Positive	RBI
NA	Term Loan	NA	NA	30-Jun-31	65.00	NA	Crisil BBB+/Watch Positive	RBI

Annexure - Rating History for last 3 Years

	Current			2026 (History)		2025		2024		2023		Start of 2023
Instrument	**Type**	**Outstanding Amount**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Rating**
Fund Based Facilities	LT/ST	600.0	Crisil BBB+/Watch Positive / Crisil	18-06-26	Crisil BBB+/Watch Positive / Crisil	17-12-25	Crisil BBB-/Positive / Crisil A3	05-11-24	Crisil A3 / Crisil BBB-/Stable	12-10-23	Crisil A-/Negative	Crisil A-/Negative

			A2/Watch Positive		A2/Watch Positive							
			--	20-03-26	Crisil BBB+/Watch Positive / Crisil A2/Watch Positive	08-07-25	Crisil BBB-/Positive / Crisil A3	16-10-24	Withdrawn		--	--
			--		--		--	05-06-24	Crisil D		--	--
			--		--		--	30-05-24	Crisil B-/Negative		--	--
			--		--		--	22-03-24	Crisil BBB+/Negative		--	--
Commercial Paper	ST		--		--		--		--		--	Withdrawn

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Packing Credit	**50**	**Standard Chartered Bank**	**Crisil A2/Watch Positive**
Proposed Long Term Bank Loan Facility	**10**	**Not Applicable**	**Crisil BBB+/Watch Positive**
Term Loan	**100**	**RBL Bank Limited**	**Crisil BBB+/Watch Positive**
Term Loan	**75**	**Tata Capital Limited**	**Crisil BBB+/Watch Positive**
Term Loan	**100**	**Kotak Mahindra Bank Limited**	**Crisil BBB+/Watch Positive**
Term Loan	**50**	**YES Bank Limited**	**Crisil BBB+/Watch Positive**
Term Loan	**65**	**The Federal Bank Limited**	**Crisil BBB+/Watch Positive**
Working Capital Demand Loan	**50**	**Kotak Mahindra Bank Limited**	**Crisil BBB+/Watch Positive**
Working Capital Demand Loan	**50**	**RBL Bank Limited**	**Crisil BBB+/Watch Positive**
Working Capital Demand Loan	**50**	**The Federal Bank Limited**	**Crisil BBB+/Watch Positive**

Annexure: List of instruments and names of regulators of the instruments
As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating activities

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA

24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Crisil Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.
^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for factoring parent, group and government linkages
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)

Media Relations	Analytical Contacts	Customer Service Helpdesk
Ramkumar Uppara Media Relations **Crisil Limited** M: +91 98201 77907 B: +91 22 6137 3000 ramkumar.uppara@crisil.com **Kartik Behl** Media Relations **Crisil Limited** M: +91 90043 33899 B: +91 22 6137 3000 **kartik.behl@crisil.com** **Divya Pillai** Media Relations **Crisil Limited** M: +91 86573 53090 B: +91 22 6137 3000 **divya.pillai1@ext-crisil.com**	Anuj Sethi Senior Director **Crisil Ratings Limited** D:+91 44 6656 3108 anuj.sethi@crisil.com Poonam Upadhyay Director **Crisil Ratings Limited** D:+91 22 6137 3386 poonam.upadhyay@crisil.com Srividya D Senior Rating Analyst **Crisil Ratings Limited** B:+91 44 6656 3100 Srividya.D@crisil.com **For Analytical queries** Toll Free Number: 1800 266 6550 ratingsinvestordesk@crisil.com	Timings: 10.00 am to 7.00 pm Toll Free Number: 1800 267 3850 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com

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