



This methodology note stands superseded. Refer to ICRA's website www.icra.in to view the updated methodology note on the sector.

RATING METHODOLOGY FOR PHARMACEUTICAL INDUSTRY

This rating methodology provides a reference tool for investors and issuers to understand ICRA's approach in assessing the business and financial risk profiles of companies in the pharmaceutical sector. It aims at helping companies, investors and other market participants understand ICRA's approach in analyzing quantitative and qualitative risk characteristics that are likely to affect rating outcomes. ICRA categorizes those companies under pharmaceutical industry whose primary business activity involves manufacturing and marketing of pharmaceutical products (all or any of: intermediates, active pharmaceutical ingredients (APIs) and formulations), providing contract research and manufacturing services (CRAMS) and those engaged in manufacturing and marketing of alternative medicines (such as ayurveda, homeopathy etc).

Some of the key issues that are examined while analysing the credit quality of pharmaceutical companies, as listed below, are discussed in this report.

- **Business Factors**
 - Scale of Operations and Market Position
 - Business Profile and Diversification
 - Extent of integration / diversification across business segments
 - Product portfolio, therapeutic and brand diversification
 - Geographic diversification
 - Customer Diversification (in case of CRAMS / API manufacturers)
 - R&D strength and Product Pipeline
 - Manufacturing Infrastructure and Compliances
 - Management of Legal and Regulatory Risks
- **Financial Aspects**
 - Scale and Revenue Growth
 - Profitability
 - Leverage, Cash Flows and Coverage Indicators
 - Foreign Currency Risks
 - Tenure Mismatches, and Risks Relating to Interest Rates and Refinancing
 - Debt Servicing Track Record
 - Contingent Liabilities / Off-Balance Sheet Exposures
 - Consolidated Financial Analysis
 - Adequacy of Future Cash flows
 - Management and Accounting Quality
 - Other Risks

BUSINESS FACTORS

Scale of Operations and Market Position

Scale of operations, as measured by operating income, is one of the critical factors for success across segments of pharmaceuticals industry. Large scale typically grants better bargaining power with suppliers and also allows improvement in competitiveness by way of entailing cost and manufacturing process efficiencies. Moreover, it enables better relationships with prescribers as well as distribution channels for branded formulation companies. Additionally, large pharmaceutical companies that have a wider product portfolio and large scale are able to negotiate better pricing with the drug wholesalers and drug payors for their developed market operations. Ceteris paribus, a large scale pharma company is likely to be better positioned to a) address the need for continued investments in R&D for maintaining a healthy product pipeline b) undertake capacity enhancements to support future growth c) allocate budgets for litigations relating to product filings (pertaining to Para IV in the US market) and d) foray into limited competition

launches. The benefits also support the renewal and expansion of product portfolio by development of derivatives, especially for API manufacturers. Scale supported by a wide product portfolio also provides an advantage in pricing while dealing with distribution channel that is consolidating in the US. In addition to the aforementioned factors, for players engaged in CRAMS particularly, large scale enhances their ability to offer different product extensions / delivery systems and supports faster product filings on account of regulatory expertise.

Further, strong position of the entity (which is determined by the product portfolio strength and extent of competition) in the geographies in which it operates enhances the rating comfort as the same influences the revenue stability to a large extent. In case of CRAMS companies, in addition to the share of wallet with their customers for specific products, the latter's market position in those products are analyzed to understand the vulnerability of revenues of the customers and in turn of the CRAMS player. Typically, companies with large scale and strong market position tend to demonstrate stable revenue profile and cash flow generation and hence are important aspects to be analyzed.

Business Profile and Diversification

Understanding the business model and associated risks is a crucial factor for analysis of credit quality of pharmaceutical companies. Companies operating in different spheres of pharmaceutical industry face risks associated with that particular segment. For example, API manufacturers (catering to domestic market, export markets or both) may face pricing pressure on account of commoditization given their high capital intensity and usually limited product portfolios. On the other hand, the formulators (for domestic market, exports to semi regulated/ unregulated markets, exports to regulated markets or with a diversified market presence) may face high competitive intensity on account of relatively less fixed capital intensity and entry barriers are largely on account of therapeutic coverage, portfolio strength, brand equity with prescribers and supply chain efficiencies (on account of high working capital intensity).

- **Business Segment Diversification / Extent of Integration:** Business segment diversity enables companies to better withstand segment specific risks by shielding them from sharp revenue volatility by way of reducing dependence on the performance of one segment. For instance, API manufacturers' initiatives to diversify presence in CRAMS or formulations are considered credit positive. Additionally, formulation companies that are backward integrated with presence in APIs also are assured of timely and quality supply of raw material. Besides, this enables them to be cost competitive (especially on account of commoditization as the product ages) and also enables faster filing of product dossiers for the targeted markets. Is it the natural progression course we see for API players?
- **Product Portfolio, Therapeutic and Brand Diversification for Formulation companies:** Indian pharmaceutical companies have a presence in "branded" products largely in the domestic, semi-regulated markets with a few large players having sizeable exposure to regulated markets. For the companies focussed on branded formulations segment of Indian market, product maturity and portfolio diversity evaluation is important as the ability of pharmaceutical companies to continually add new products in line with the emerging medical needs remains critical in sustaining revenues and cash flow generation. Companies with significant exposures to mature or declining therapeutic segments would be exposed to higher degrees of risk. Additionally, a suitable mix of acute and chronic therapies coupled with presence in other fast growing therapeutic segments/ niches may bring in stability in financial performance. Notwithstanding the need for therapeutic and brand diversification, a strong market share in their key therapy segments through brand recognition with key opinion leaders/ specialists as well as exhaustive doctor/specialist penetration would be critical for companies striving for higher ratings. Specifically for the domestic market, while stronger brands usually prove more profitable for companies, high product concentration can significantly increase risks. Thus, a product portfolio diversified across therapeutic segments and no single brand contributing to more than 15% of the domestic formulation revenues is credit positive. While analysing the product portfolio, ICRA also looks at the price control coverage of the company's portfolio as higher coverage would constrain profitability.

Similarly, CRAMS players with reasonably diversified product portfolio across growing therapeutic segments, delivery systems and catering to customers with strong brand position would generally be well positioned to demonstrate stable financial performance.

ICRA assesses the strength of a generics company by its ability to distinguish itself from competition and sustain its market share without compromising on profitability. Thus, for the Indian companies that have significant revenue dependence on US generic market, product and therapeutic diversity is critical as the generic products remain exposed to price competition especially for simple delivery forms like tablets and capsules. Thus, diversity across delivery forms (extended release, injectables, inhalers, patches, hormonal contraceptives)/ having products that are more difficult to replicate / with higher barriers to entry in addition to ability to offer a reasonably diverse product basket favours the credit profile. In the past, some of the Indian pharma companies focused on filings targeting marketing exclusivity that resulted in significant volatility in revenues and earnings in the years such products were launched. Thus, a balanced portfolio of filings comprising of plain vanilla generics, niche products (delivery forms or complex to manufacture) and an annuity of filings for exclusivity (arising from large number of filings and strong R&D and regulatory capabilities) aids stable revenues and earnings. Moreover, proportion of revenues from complex generics (that has limited competition) or any presence in branded formulations segment and OTC segment in the regulated markets also allows the pharmaceutical companies withstand price erosions in the generics segment. Increasingly, the Indian pharma companies with substantial revenues from developed markets, especially US, are investing in R&D to focus on complex generics where the competition is limited, resulting in better pricing discipline among players. Some large players are also investing in R&D for biosimilars, though a high cost and risky proposition, but can offer substantial upside to revenues and profitability on successful launch.

- **Customer diversification for CRAMS / API players:** Companies engaged in CRAMS / APIs business require significant upfront investments in creating manufacturing / research infrastructure and thus, may face high business risks if dependent on few customers. Customer diversification remains a challenge given the long lead time associated (on account of process validation, technology transfer and site audits by pharmaceutical marketing companies) for business awards. Additionally for contract manufacturing companies, ability to offer products across dosage forms (solids, liquids, injectables, creams, gels, ointments) and ability to launch new products/ combinations/ dosages (for CRAMS players catering to domestic formulations market) are also critical.
- **Geographic Diversification:** In the backdrop of the stringent regulatory landscape for pharmaceutical companies in terms of regulatory approvals (facility, product), pricing and intellectual property rights, a geographically diversified revenue mix, besides addressing market risks, allows the company withstand regulatory uncertainties related to any single market. In the past (mid 2000s), Indian companies had forayed into the generics market of European countries either organically or through acquisitions, however, the change in market dynamics (for instance, German market that was a branded generic market turned into a tender based market with healthcare reforms being implemented) on account of budget constraints of healthcare payors resulted in significant pricing pressures. Thus, the European operations of many players became unviable. In contrast, Indian pharmaceutical companies, with presence in markets like the US and Japan has benefited from the robust generic business in these markets. Thus, while evaluating geographic diversification, the generic opportunity as well as regulatory landscape, nature and extent of competition, payor profile (out of pocket expenditure for patient or reimbursements from insurance companies) are captured in the analysis.

Among other regulated markets, Japan has been an attractive destination that currently has relatively low generic penetration vis-à-vis other regulated markets and the Japanese Government is encouraging generic substitution. This market also has higher entry barriers on account of stringent approval process and consequently offers better pricing vis-a-vis the other regulated markets.

While evaluating the business profile of pharmaceutical companies, attention is also paid to the company's exposure in the emerging markets that are witnessing fast growth. This would involve

assessment of the country risks such as - political risks, local economic conditions and currency risk, regulatory regime (patent regulations and product approvals, quality and manufacturing compliances, pricing policies) credit risks associated with key participants in the pharma distribution chain, to cite a few.

R&D Focus and Product Pipeline

As a strong product pipeline is essential for sustainable earnings, an evaluation of company's R&D efforts, R&D team and infrastructure as well as consistency/ growth in budgetary allocations are evaluated. A strong R&D team also needs people who are adequately experienced in dealing with IPR related issues.

While product development across the pharma segments is critical, the focus areas of generic formulation companies in recent periods has been on newly off-patent product/ combination/ delivery system launches with some of them also targeting new chemical entity development (NCE). The higher rated companies, normally have R&D spend of over 7% of revenues with a pipeline spread across generic filings, NDDS, and differentiated products.

NCE research, by nature has significant risks and given the long gestation period and needs very high R&D budgets. While most Indian companies lack the balance sheet size to carry on NCE research, some of the companies have been somewhat successful in NCE research, adopting early monetization route for its investments by out-licensing or milestone based payments.

The API companies need to focus their R&D efforts in the areas of new products for renewing product portfolio and introduce derivatives with market potential as well as improve process efficiencies to become more competitive as the products mature. Contract manufacturing companies focus on development of new formulation/ combinations/ drug delivery systems as an early move advantage can support profitability.

Most large generic companies from India have significant revenue and profit dependence on developed country markets, which are typically characterized by high competitive intensity and low pricing power for vanilla generics. In these markets, companies with focus on products targeting exclusivity (Para IV challenges, developing non infringing processes), complex products, specialty/ niche products are often better placed. The attractiveness of Para IV filings however have reduced in recent years, on account of 1) authorised generics supported by innovators; 2) shared exclusivity between multiple players filing on the same day.

In the biosimilar space, the presence of Indian players have so far been limited, largely to less regulated markets. However, a large number of biosimilars are going off patent in regulated markets over the medium term, which provide an attractive opportunity for players with necessary technical skills and financial resources. Many of the large Indian pharmaceutical companies are allocating substantial budgets towards biosimilars.

To develop a healthy pipeline, companies need to draw up their R&D investments well into the future, targeting products with patent expiry of upto 7-8 years into the future. A proxy for the product pipeline can be represented by regulatory filings (DMFs, ANDAs, NDAs, marketing authorisation applications, certificate of suitability of the European Pharmacopoeia or CEP, etc). Assessing the quality of the pipeline (nature of filings, for instance, ANDAs with Para IV certification, NDAs filed targetting exclusivity under 505 (B)(2) for improvised/ new delivery systems in the US market etc.), however, remains critical.

Manufacturing Infrastructure and Compliances

While low-cost manufacturing capability as well as chemistry and process engineering are the strengths of Indian pharmaceutical companies, it is also critical for these companies to maintain systems and processes to ensure product quality. ICRA, therefore, assesses the systems followed by the company during manufacturing and testing. Additionally, ICRA analysts interact with R&D, production and supply chain personnel to understand the quality of its trained manpower, documentation during manufacturing, quality analysis and regulatory compliance (both domestic and of export markets). The rating process involves assessing the inspection track record of manufacturing facilities by Indian regulatory authorities and regulatory authorities of countries where the products are exported (FDA for US market, MHRA for

supplies to UK, ANVISA for supplies to Brazil, etc). Moreover, the observations of the inspectors (for instance, 483s issued during the USFDA inspection), the company's response and corrective actions taken by the management are gauged.

Upgrading and maintaining a manufacturing facility that meets the standards of the regulated markets call for significant financial commitments. Also, inspection and approvals being a time-consuming process, companies with existing facility approvals from regulators like US FDA, UK MHRA, among others have a crucial time advantage over others. With the heightened scrutiny levels and stringent product quality standards evident from imposition of warning letters/ import alerts by USFDA even for reputed Indian as well as global generic companies, maintaining manufacturing standards has become critical for players with sizeable exposure to the US and Europe (revenues as well as product pipeline based on innovator products expected to go off patent). There have been instances where such regulatory actions have resulted in manufacturing disruptions with a significant impact on revenues and profitability. To mitigate risks related to production/ profitability loss in case of adverse regulatory action, drug manufacturers have invested in upgrading their systems, documentations, IT and manufacturing processes besides strategies like dual location filings.

Backward integration is an increasingly crucial factor in sustaining cost advantages in exports especially for commodity generics in regulated markets. For instance, some Indian manufacturers have been able to sustain profitability even after over 90% price erosion on generics, through focus on operating efficiencies and effective cost control measures. Besides, companies with quality manufacturing facilities coupled with strengths in process re-engineering can also leverage potential opportunities in the field of contract manufacturing and custom synthesis.

Management of Regulatory and Legal Risks

Pharmaceutical industry, globally, is highly regulated with companies being governed by (i) patent, (ii) product and quality and (iii) price policies of various countries. Thus, Indian pharmaceutical companies need to comply with these regulations for selling their products in the domestic market besides the export markets they have a presence in. By virtue of operating in a dynamic regulatory environment with respect to product approvals, patent expiry, pricing regulations, the management's ability to tailor/ modify strategies to withstand such risks is critical.

While Indian pharma companies have made reasonable headway in the generics segment of regulated markets with approved manufacturing facilities, established product portfolios, monetisation of exclusivities by challenging patents or development of non infringing processes and a product pipeline besides relationships with distribution channels, the opportunity in the medium term remains substantial with a large number of innovator products expected to go off patent in US. The companies that follow strategy of patent challenges in US (a high-risk high-reward strategy), with significant uncertainties relating to the final outcome are exposed to large cash outflows on account of R&D and litigation expenses. To mitigate the legal risks associated with patent challenges, various pharmaceutical companies followed the strategies on settlements with the innovators (deferring the product launches). ICRA evaluates the financial risks arising from potential rejection/ launches at risk for Para IV and the ability of the company to absorb such downsides.

Some large pharmaceutical companies have been aggressive in R&D in biosimilar as well as new/ improved chemical entity, which have high revenue as well as higher development costs, also remain exposed to high failure risks. To mitigate the risks as well as share the costs, Indian companies have selectively tied with global players. Given sizeable R&D as well as capex investments, the ability of the company to absorb these losses in case of failure to get product approvals is also assessed.

The healthcare system has an important bearing on the prices of pharmaceutical product. In the Indian context, the price regulatory authority identifies the products whose prices are to be controlled factoring in the essentiality of drugs. In developed markets like the US, a majority of the population is covered by health insurance and thus, health insurers reimburse the cost of the pharmaceutical products listed with them. The European region also has policies on direct or indirect price control that vary across countries, besides considerable coverage of health insurance. Thus, an evaluation of price control coverage and the mix of own payment vs. insurance reimbursement are important factors while assigning the rating.

Discounts/ rebates get negotiated between the manufacturers and the customers (Medicare/Medicaid for the Public Schemes, Insurers, Pharmacy Benefit Managers in the US, etc) for being eligible for their products to be covered in drugs listed for reimbursements. Thus, the companies continue to remain exposed to higher discounts/ rebates in the US and price cuts resulting from ongoing healthcare reforms in Europe.

FINANCIAL PROFILE

Scale and Revenue Growth

The scale of operations, revenue growth and sustainability are important financial parameters while assigning a credit rating as they reflect the operating leverage a company enjoys with respect to its industry peers. These indicators reflect the market position of the company in key geographies and its ability to capitalize the same to generate healthy revenue growth. Higher rated entities in the industry exhibit stable cash flows through revenue streams that are diversified among markets and product categories; stable product pipelines; and strong distribution networks / customer relationships. With substantial scale of operations, a company is better positioned to apportion the large fixed costs while making sizable investments in distribution (especially for formulation marketing companies), apart from being able to make incremental investments in R&D and manufacturing capacity creation. Moreover, a large revenue base also leads to economies of scale in terms of cost efficiencies in the purchasing, production, distribution and administrative functions thereby supporting operating margins.

Although a pharmaceutical company remains largely insulated to economic cycles, impact of any adverse political or socio economic event in major geographies of operations can impair revenue growth. Additionally, with companies focussed on developing a pipeline targeting exclusivity, there is a potential of lumpiness in revenues on account of dependence on few products.

Companies in the CRAMs space may also face risk of lumpy revenues, especially with revenue recognition on achievement of milestones. For API companies that are highly fixed capital intensive and also have a relatively high product concentration, lack of economies of scale can also significantly impair the credit risk profile.

Profitability

The complexity of products, therapeutic mix, and the geographic market a company operates in, besides operating efficiency, are the key determinants of a company's profit margin. For APIs and generics, profitability is also influenced by the particular stage a product has reached in its lifecycle (mature, commoditised products usually offer low margins) and the time of its market entry (early entry often yields a relatively large market share and hence higher margins). Companies manufacturing products involving less complex and easily replicable processes are often subject to intense competition, and this gets reflected in their usually low gross margins. Margins are also likely to be moderate for players targeting less regulated markets, as relatively lenient requirements for product registration and manufacturing facility approval also imply low entry barriers and therefore intense competition. While better regulated markets in general offer better operating margins, price erosions can be steep depending on the number ANDA filings for the product. Generic companies creating a balance portfolio of commoditised generics, exclusivities as well as limited competition products are able to sustain/ improve their profitability better than those focussed on commoditised products. Players focussed on the domestic branded formulation market with presence in lifestyle drugs segment with stronger brands tend to enjoy better profitability than ones that may have relatively higher coverage of their portfolio under price control. ICRA places emphasis on product pipeline strength, as that can even out the large price fluctuations inherent in exports to regulated markets.

For companies into contract research (including custom synthesis and clinical research) and manufacturing, the risks associated with large upfront investments are often mitigated by profitable long-term contracts from large innovator companies.

Leverage, Cash Flows and Coverage Indicators

ICRA's assessment of the financial risk profile of the company is based upon the ability of a company to generate healthy cash flows to reinvest in the business as well as meet the debt servicing obligations. The financial policies and the risk appetite of the management remain key rating factors.

Leverage ratios are an indicator of the degree of financial flexibility a company enjoys in terms of its ability to raise funds from alternative sources. Such flexibility is reflected in a company's gearing (Total Debt-to-Tangible Networth) and Total Debt-to-EBDITA multiple. A low gearing ratio indicates cushion in servicing debt obligations while continuing to invest in R&D, capex and entry in new markets. It also implies adequate financial flexibility available in terms of raising funds from external sources (debt borrowings) for meeting funding requirements and is a credit positive. However, the extent to which a company can leverage its balance sheet is subjective and is determined by the philosophy of the management.

The interest coverage indicator reflects the ability of the company to fund the cost of external borrowings after meeting all operating expenditure requirements. It is an important rating consideration as a weak EBDITA-to-interest multiple indicates that the company is not generating adequate revenues to meet its interest and debt obligations from its operational cash flows, and may signal a default risk.

Strong free cash flows indicate the ability of a company to fund investments, organic and inorganic growth opportunities and debt repayments. A strong Total Debt-to-EBIDTA multiple is a credit positive as it reiterates the ability of the company to service its debt obligations, fund growth opportunities and improve its competitive position without being overly reliant on external sources.

In addition to long-term financial flexibility the liquidity profile of the company is equally important to understand the ability of the company to meet short term financing requirements. Thus, evaluation of working capital requirements with respect to the receivables and inventory is critical. A high level of inventory and receivables with respect to stagnant revenues may not reflect well on the company. For instance, a significant inventory pile up in anticipation of orders in tender business can materially affect liquidity position if the company is not successful in getting the award. The working capital requirements and funding sources are evaluated from the monthly working capital utilization of the company and the available drawing power.

Foreign Currency Risks

The foreign currency risks for pharmaceutical companies primarily arise on account of export revenues, intermediate/ API imports and foreign currency denominated liabilities (including debt). While taking into consideration the hedging policy of the company towards mitigating such foreign currency risks, ICRA also focuses on the impact of adverse movement in foreign exchange rates on the cost structures, profits or incremental cash outflows for such companies.

Tenure Mismatches, and Risks Relating to Interest Rates and Refinancing

Large dependence on short-term borrowings to fund long-term investments can expose a company to significant re-financing risks, especially during periods of tight liquidity. The ratings factor in the existence of adequate buffers of liquid assets/bank lines to meet short-term obligations and the extent to which the company could be impacted by interest rate movements on such borrowed funds.

Debt Servicing Track Record

The debt servicing track record of the company forms an important rating consideration. Any history of past delays or defaults in meeting interest and principal repayment obligations reduces the comfort level with respect to the company's future debt servicing capability. ICRA also factors in the ability of the company to honour its debt obligations during period of cyclical stress.

Contingent Liabilities/Off-Balance Sheet Exposures

ICRA also looks at the quality of accounting practices followed by a company based on interactions with the Statutory Auditors as well as studying the Auditors' Report and other Notes to Accounts disclosed by a company in its Annual Report. Some of the key factors looked at include- auditor qualifications with respect to internal control systems, debt servicing and asset liability mismatch; contingent liabilities and other off balance sheet items and the method of revenue recognition and depreciation policy of a company in comparison with industry peers.

Consolidated Financial Analysis

The pharmaceutical industry in India comprises of several large players with presence across diverse business segments and geographies through various subsidiaries and associate companies. While

evaluating the financial risk profiles of such companies, ICRA draws comfort from consolidated/group level financial indicators in terms of capital structure, debt coverage indicators and future funding requirements.

Adequacy of Future Cash Flows

ICRA draws up projections on the likely financial position of the company based on the expected movements in operating performance factoring in capex and investment requirements as well as upcoming debt obligations to study the impact on revenue growth and profitability, cash flows, leverage as well as debt protection indicators. We also look at the funding requirements of a company and the funding options available to it.

Management and Accounting Quality

In addition to the business and financial risk analysis, ICRA also factors in the management profile of the company while assigning the ratings. The participation of professional management and the constitution of Board (number of promoter vs Independent directors, background of each director) and their participation in strategy formulation, besides company's adherence to compliance requirements is also discussed.

An interaction with the management not only provides a better insight into the operations of a company (as well as other entities belonging to the same promoter group) and track record but also helps understand the management's commitment to the business and strategies, growth plans as well as risk appetite which may have an impact on the future performance of the company. The other factors assessed are management policies on leveraging, interest risks and currency risks and ability and willingness of the promoter group to support the issuer for growth plans as well as during stress. Additionally, these interactions also help on evaluation of management's commitment to the company and timely servicing of debt, risk appetite and expansion. Commitment to ratings and the ability of the management to meet their committed performance and ensure stability in operations while pursuing growth and diversification plans are key to the rating. Periodic interactions with the management also help ICRA estimate the probability of the management's tendency to deviate from its business philosophy in times of stress. Moreover, other subjective factors such as corporate governance, quality of financial reporting and disclosures are also taken into consideration while arriving at the rating.

Event Risk

The pharmaceutical industry has experienced a large number of corporate actions like acquisitions for geographic diversification, backward/ forward integration, product portfolio/ pipelines, manufacturing assets, strengthening technical strengths to name a few. These activities funded by debt often having material impact on the credit profile of a company.

Other Factors

Other factors, which cuts across industries while rating the issuer include regulatory framework, group support, usage of the issuer's funds to support group companies, ability and willingness of the group/management to lend support to the issuer in the event of required capital infusion are also accessed through detailed management meetings. ICRA also looks into the quality of accounting practises followed by the company through analysis of the annual report and meetings with the statutory auditor. Through these meetings, ICRA attempts to ensure consistency in accounting policies across peer set.

Conclusion

The rating methodology broadly highlights ICRA's approach in assessing the business and financial risk profiles of companies in the pharmaceutical sector. It should not be treated as an exhaustive discussion of all the factors considered while assigning a credit rating but a broad framework to help stakeholders understand the approach to the same.



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