

## Aditya Birla Nuvo Limited

Instrument	Rated Amount (Rs. Crore)	Rating Action
Fund based Limits	1,250.00	[ICRA]AA+ reaffirmed; rating watch removed and stable outlook assigned
Non Fund based Limits	1,500.00	[ICRA]AA+ / [ICRA]A1+ reaffirmed; rating watch removed and stable outlook assigned
Term Loans	500.00	[ICRA]AA+ reaffirmed; rating watch removed and stable outlook assigned
Non Convertible Debentures	1,500.00	[ICRA]AA+ reaffirmed; rating watch removed and stable outlook assigned
Commercial Paper	1,750.00	[ICRA]A1+ reaffirmed; rating watch removed

ICRA has reaffirmed the long term rating of [ICRA]AA+ (pronounced ICRA double A plus) to Rs. 1250.0 crore Fund based limits; Rs. 1,500.0 crore Non-Fund based limit; Rs. 500.0 crore term loans and Rs. 1,500.0 crore Non convertible Debenture. ICRA has also reaffirmed the short term rating of [ICRA]A1+ (pronounced ICRA A one plus) to Rs. 1,750.0 crore Commercial Paper programme and Rs. 1,500.0 crore Non Fund based Limits. The rating watch has been removed and assigned stable outlook. The Non-Fund based limits are interchangeable between long term and short term though the total utilization should not exceed Rs. 1,500 crore.

ICRA had earlier placed the ratings under “Rating watch with developing implication” following company’s announcement to merge itself with Grasim Industries Limited. Based on discussions with management, ICRA expects the merged company to maintain a strong business and financial profile post successful completion of merger. The merger is pending approval from Securities Exchange Board of India (SEBI), Shareholders & Creditors and the process is expected to be completed by Q4FY2017. The merged entity will have diversified businesses with leadership position spanning across Textiles and Chemicals lending stability to cash flows coupled with conservative financial posture. As a part of merger process, the company will list the financial services businesses which will lead to value unlocking for the merged entity and shareholders. The merged entity will continue to derive financial flexibility by way of large market value buffer on its investments in subsidiaries/group companies as well as its position as premier company in the Aditya Birla Group.

### Company Profile

Aditya Birla Nuvo is a ~US 3.6 bn conglomerate with leadership position across its businesses. Its Financial Services business ranks among the top 5 fund managers in India. Its Telecom venture, Idea Cellular, ranks among the top 3 cellular operators in India. It is a leading player in Linen, Agri, Rayon and Insulators businesses. ABNL has recently ventured into the Solar Power businesses. It has also received an in principle approval from RBI to set up a Payments Bank in joint venture with Idea Cellular. The promoters hold 58.4% stake in the company.

Grasim Industries Limited is a ~US\$ 5.6 bn conglomerate comprising of businesses in cement, chemicals and viscose staple fibre. It is a leading global player in viscose staple fibre and is the largest manufacturer of chlor-alkali and epoxy resins in India. Its subsidiary UltraTech is the largest manufacturer of cement in India with a capacity of 91 MTPA (including acquisition of Jaiprakash Associates Limited Cement capacity of 21.2 MTPA) and offers a complete range of building products.

### Recent Results

ABNL, on standalone basis, reported an operating Income of Rs. 5,466 crore and PAT of Rs. 360 crore for the twelve months period ending March 31, 2016. For Q1FY17, ABNL has reported Operating Income of Rs. 1,230 crore and PAT of 1,103 crore.

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