# JK Tyre & Industries Ltd

**March 09, 2021**

**Ratings**

| **Facilities/Instruments** | **Amount (Rs. crore)** | **Ratings** | **Rating Action** |
|---|---|---|---|
| Long Term Bank Facilities | 3,658.98 | CARE A-; Stable (Single A Minus; Outlook: Stable ) | Reaffirmed; Outlook revised from Negative |
| Long Term / Short Term Bank Facilities | 280.00 | CARE A-; Stable / CARE A2+ (Single A Minus ; Outlook: Stable/ A Two Plus ) | Reaffirmed; Outlook revised from Negative |
| Short Term Bank Facilities | 1,170.00 | CARE A2+ (A Two Plus ) | Reaffirmed |
| **Total Bank Facilities** | **5,108.98 (Rs. Five Thousand One Hundred Eight Crore and Ninety-Eight Lakhs Only)** | | |
| Long Term / Short Term LT/ST Instrument | 140.00 | CARE A- (FD); Stable / CARE A2+ (FD) (Single A Minus [Fixed Deposit]; Outlook: Stable/ A Two Plus [Fixed Deposit]) | Reaffirmed; Outlook revised from Negative |
| **Total Long Term /Short Term Instruments** | **140.00 (Rs. One Hundred Forty Crore Only)** | | |

*Details of instruments/facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

The revision in the rating outlook for the bank facilities and instruments of JK Tyre & Industries Ltd (JKTI) from Negative to Stable takes into account the improvement in its operating and financial risk profile in 9MFY21 (refers to period from April 01, 2020 to Dec 31, 2020) characterized by improved profitability and capacity utilization levels. This has been primarily due to increased demand in the replacement and export market post lifting of the lockdown owing to imports restrictions from China, recovery in economic activities & pick up in automobile demand, personal mobility coupled with demand for Passenger car radial and farm tyres due to festive season and channel expansion. The ratings continue to derive strength from the experienced promoters and JKTI's long track record of operations, its established market position in the truck and bus radial (TBR) segment, and its wide marketing and distribution network. These rating strengths are partially offset by the working capital-intensive nature of its operations, leveraged capital structure and exposure to foreign currency fluctuation risks, raw material prices volatility and competitive nature of the industry.

At the time of last review, CARE has taken note of the intimation by the company regarding the instructions by the Enforcement Directorate (ED) to freeze one of its bank accounts. According to the JKTI's management, the company has not received any notice for any investigation from the ED with respect to the said matter. The matter is currently sub-judice and CARE will monitor further developments, if any, in this regard, going forward.

JKTI has sought moratorium on payments from its lenders as part of the COVID-19 - Regulatory Package announced by the RBI on March 27, 2020 and May 22, 2020. In the anticipation of the said approval following the regulatory package by RBI some of the scheduled repayments and interest payments were deferred by the company. The moratorium has been approved by the bankers JKTI. CARE has not recognized this instance as a default, as the same is permitted by the RBI as part of the relief measures announced recently. Non-recognition of default in this case is as per the guidance provided by the SEBI circular SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/ 53 dated March 30, 2020

**Rating Sensitivities:**

Positive Factors: *Factors that could lead to positive rating action/upgrade.*

- Ability of the company to increase its scale of operations by more than 25% from its current levels.
- Ability of the company to improve its PBILDT margins beyond 15% on a sustainable basis.
- Ability to improve the capital structure marked by consolidated overall gearing of less than 2.00x on a sustained basis.

Negative Factors: *Factors that could lead to negative rating action/downgrade.*

- Decline in profitability margins as marked by PBILDT margin below ~10% on a sustained basis.
- Total debt/EBITDA over 4.5x on a sustained basis
- Any further increase in debt (other than envisaged) leading to deterioration in the capital structure with overall gearing increasing from the current levels in any of the years going ahead
- Any outcome arising from the ED attachment of the bank account of JKTI which has a negative impact on the credit profile of the company.

**Detailed description of the key rating drivers**
**Key Rating Strengths**

***Experienced promoters and management:*** The JK Group is one of the leading conglomerates and has business interests across the globe, spanning over 105 countries. The promoters have an experience of around four decades in the tyre business. The company's operations are headed by Dr R P Singhania (the Chairman and Managing Director) who handles the day-to-day affairs. Besides, the management team also comprises of experienced and well-qualified members, namely, Mr. Anshuman Singhania (Deputy Managing director), Mr. Arun K. Bajoria (Director & President - International Operations) who bring more than 50 years of collective industry experience to the Board. They are ably supported by a team of professionals in the day to day affairs. Bengal & Assam Co Ltd (BACL) which is the holding arm of the JK group of entities holds 52.80% of JKTI share capital as on Dec 31, 2020.

***Long-track record of operations:*** JKTI has been engaged in tyre manufacturing since 1975 and is among the leading tyre manufacturers in India. After pioneering passenger car radialization (PCR) in 1977, the company accelerated the pace of radialization in India and remains a market leader in the TBR segment. JKTI established its first tyre manufacturing facility in Kankroli, Rajasthan, in 1975 with an installed capacity of 5 lakh tyres per annum (p.a.). As on March 31, 2020, the company had nine plants in India with overall capacity of 24.36 million tyres p.a. (15.39 million tyres p.a. in JKTI standalone) and three plants in Mexico with a capacity of 7.9 million tyres p.a. Over the years, the company has received various accreditations and prestigious awards in respect of quality improvement and customer satisfaction.

***Established brand with diversified product portfolio and wide distribution network:*** JKTI caters to the various user segments including truck & bus (both bias and radial tyres), LCV (bias & radial), PCR, farms, off-the-road tyre radials (OTR) with highest revenue contribution from the TBR segment in JKTI. JKTI has a widespread distribution network across the country with approximately 5,200 dealers and 360 distributors, during 9MFY21, company has added around 1350 new dealers to further its pan India presence. The company also has over 393 exclusive passenger car tyre retail outlets by the name of Steel Wheels and 173 Xpress Wheels for small town and semi-urban markets which also caters to two-three wheelers. It also has 54 fully equipped tyre service centres offering total tyre solutions, called JK Tyre Truck Wheels. Over the years, apart from JK Tyre Truck Wheels service centres, JKIL had taken several initiatives to improve the quality of service such as Fleet Management, and JK Tyre Care centres which offer one-stop solution for truck/bus tyre customers.

***Improvement in financial risk profile in 9MFY21:***
During Q1FY21 (refers to period from April 01 to June 30) financial performance of the company was subdued on account of nationwide lockdown imposed during the period and the subsequent impact that Covid-19 had on the entire economy resulting in further sluggishness in the end user auto industry. The company's sales volumes however gradually picked up quarter on quarter with the easing of the lockdown restrictions. During Q3FY21, TOI (total operating income) of JKTI registered a Q-o-Q growth of 15% & Y-o-Y growth of 18% to reach Rs. 1851 crores as against Rs. 1482 crores in Q2FY21 and Rs. 1568 crores in Q3FY20. PBILDT of the company also achieved a Q-o-Q growth of 37% & Y-o-Y growth of 7% to reach Rs. 312 crores as against Rs. 228 crores in Q2FY21 and Rs. 170 crores in Q3FY20. As per the management, growth is driven by strong demand owing to imports restrictions from China and sentiments against Chinese products across globe, recovery in economic activities resulting in higher utilization of vehicles, personal mobility coupled with robust demand for Passenger car radial, 2/3-wheeler tyres and farm tyres due to festive season, rural demand and channel expansion. During 9MFY21, TOI of JKTI registered a Y-o-Y decline of 13% & PBILDT achieved growth of 7% to reach Rs. 4133 crores and Rs. 571 crores respectively as against Rs. 4761 crores and Rs. 534 crores in 9MFY20. PBILDT margin of the company has improved from 11.22% in 9MFY20 to 13.82% in 9MFY21. The improvement in PBILDT margin is supported by lower raw material cost initially, improved realizations across all tyre categories in Q3FY21 and various cost optimization measures that the company has taken since the outbreak of Covid to curtail its cost and improve its operating efficiency. On a y-o-y basis for the period ending 9MFY21 the lower natural rubber prices and crude oil prices in Q1FY21 on account of Covid outbreak have supported the margins. Raw material cost as a % of TOI constitute around 61% of the TOI in 9MFY21 against 64% in 9MFY20.

JKTI's operating income registered a ~20% decline in FY20 over FY19 with decline in sales across different segments including truck & bus (bias & radial), non-truck & bus (bias & radial) includes PV (Passenger vehicles), LCV (Light Commercial Vehicle), SCV (Small Commercial Vehicle), Tractors tyres etc. The primary reason for decline in sales on y-o-y basis is the overall slowdown in the automotive sector, aggravated by the breakout of COVID-19 towards the end of FY20. The PBILDT margins though improved to 11.08% in FY20 from 9.93% in FY19, primarily on account of lower raw material prices during the year, cost rationalization measures undertaken historically as well as an increase in the contribution from the replacement and export markets in FY20. Furthermore, JKTI has taken cost reduction measures pertaining to the rationalization of employee costs, advertising spend and other travelling overheads which is expected to support the margins going ahead.

Besides, owing to strong operational, business linkages, JKTI provides support to its subsidiaries, Cavendish Industries Ltd (CIL) and JK Tornel SA de CV (JKTSA). During FY20, JKTI, out of the proceeds of Rs 200 crore which were infused by the promoters (BACL) in March 2019 invested Rs 75 crore in CIL to support the ongoing TBR capex there & apart from this it advanced loans and advances of Rs ~88 crore to support the working capital & debt repayment requirements of CIL. Apart from this, JKTI has also extended support to JKTSA in the form of extended credit period for the sales made to JKTSA during FY20.

***Focus on high margin TBR segment with presence across market segments:*** JKTI has been focusing on TBR segment and has witnessed steady pace of radialization in the past few years. TBR segment commands around 20% premium over bias tyres which has driven steady profitability despite fall in turnover in the past. There has been continued increase in revenue contribution from relatively higher margin radial tyres whose proportion in the overall revenue has increased from 58% in FY16 to 64% in FY20 (refers to period from April 01 to March 31).

**Key Rating Weaknesses**

***Leveraged capital structure:*** The total debt of JKTI at a standalone level continues to be high. On account of the lower than expected cash accruals and profits in the past, the company's coverage indicators stood moderate with interest coverage at 1.98x for FY20 (2.40x for FY19) and TDGCA (Total debt to Gross cash accruals) at 15.21x for the year ended Mar 31, 2020 (PY: 8.34x). Total debt of the company stood at Rs. 3,354 crore as on March 31, 2020 as against Rs. 3,320 crore as on March 31, 2019. As on March 31, 2020 the overall gearing level (including LC backed creditors and dealer deposits) at standalone level stood at 2.16x, compared to 2.28x as on March 31, 2019.
However, JKTI's total debt stood at around Rs. 2,555 crores as on Dec 31, 2020 as against Rs. 3354 crores as on March 31, 2020, on account of decrease in working capital borrowings to Rs. 595 crores as on December 31, 2020 as against Rs.1518 crores as on March 31, 2020. As discussed with the management, during the lockdown period, the company has worked towards realisation from debtors and liquidation of old stock, as a result of which working capital position of the company improved. Working capital borrowings has also declined on account of Covid funding received by the company. JKTI has availed COVID funding from the banks for ~Rs 155 crore & out of the same, Rs 121 crore has already been disbursed in 9MFY21. These funds have supported the working capital requirements of the company and has helped in lowering its working capital utilization. The capital structure however continues to be leveraged and any further increase in debt (other than envisaged) leading to deterioration in the capital structure is a key rating sensitivity going ahead.

***Liquidity: Adequate***
Post lifting of the lockdown and improvement in the cash accruals of JKTI on a quarter-on-quarter basis, the liquidity profile of JKTI is currently adequate. The company's average utilization for working capital borrowing at maximum level was around 70% during the 12-month period ending Nov 2020, which provides some buffer with JKTI to fund its working capital requirements. Cash and bank balance stood at Rs. 59 crores as on December 31, 2020. Company has earned GCA of Rs. 309 crores and repaid debt of Rs. 137 crores in 9MFY21. Total inventory, debtors and creditors of the company stood respectively at Rs. 995 crores, Rs. 1350 crores and Rs. 1239 crores as on December 31, 2020 as against Rs. 1096 crores, 1436 crores and Rs. 944 crores as on March 31, 2020.
JKTI is also supporting the working capital requirements of its subsidiaries CIL and JKTSA by way of infusion of equity and loans and advances, extended credit period, etc. Further, JKTI and HASETRI (Hari Shankar Singhania Elastomer & Tyre Research Institute) have entered into a research grant agreement on September 18, 2019 valid for ten years, as per which JKTI has hired HASETRI to carry out to carry out the research and development projects. As per the agreement, JKTI will provide the estimated funds approximately Rs 43.50 crore (including payment to labour, contractors, purchase of materials and equipment, consumables and support services in relation to the project) required to carry out the projects.

***Exposure to volatility in the raw material prices and exchange rate movement:*** Raw materials constitute around 60% of the total operating costs. Natural rubber is the major raw material for manufacturing tyres, constituting 60% of the total raw material costs. Rubber and crude oil are global commodities and prices vary across all international markets. The tyre business is highly sensitive to movement in rubber & crude oil prices. The average price of natural rubber (NR) in FY20 stood at Rs. 124.73/kg (Rs 127.26/kg in FY19 and Rs 137.23/kg in FY18). JKTI's PBILDT margin remains sensitive to any volatility in input prices, including those of natural rubber and crude, considering raw material costs represent about 60% of the revenue. Recently there has been an increase in the prices of natural rubber (from Rs. 130.57 per kg in Mar 2020 to Rs. 151.88 kg in Jan 2021) & Crude (from USD 32.2 per barrel in Mar 2020 to USD 53.60 per barrel in Jan 2021) due to increased demand and these may impact the profitability margin of the industry including JKTI going ahead if the same is not passed on. Going forward, impact of increased raw material cost on the profitability margins of the company will be a key monitorable. While JKTI procures NR primarily from the domestic market (around 60%), it imports the balance depending on prices in the international market. Other components like carbon black, steel cord and chemicals are both procured domestically and imported. JKTI imports nearly 40%-50% of its raw material requirements. These imports are primarily LC backed. JKTI's LC exposure (including bank guarantees) as on March 31, 2020 stood at Rs 540 crore as against Rs 439 crore on March 31, 2019.

Further, JKTI is exposed to exchange rate fluctuation risks as it has significant export income and import payments for raw material requirements, besides having foreign currency loans (FCLs). During FY20, JKTI's exports stood at around Rs 1,085 crore and imported raw materials stood at around Rs 1,048 crore. While the natural hedge in its business enables it to partially mitigate the risk, it remains exposed to foreign exchange fluctuation risks on its FCL, which are not hedged. JKTI as on March 31, 2020 has FCL to the extent of Rs 558 crore. JKTI booked a foreign exchange gain of Rs 1.25 crore in FY20 (PY: Rs. 6.69 crore).

***Industry Outlook:*** India is one of the largest automobile markets in the world, which makes the country one of the leading markets for tyres. The tyre industry is directly affected by the performance of the automobile industry, which, in turn, depends on the overall economic growth. In FY20, the industry sales witnessed a sharp decline of 14.8% y-o-y vis-à-vis a growth of about 6.4% witnessed during FY19 led by factors such as increased insurance costs, uneven monsoon, high ownership costs, curtailed lending by the NBFC segment, weak festival demand, weak consumer sentiments and the spread of Covid-19 in the country. Overall auto production witnessed a decline of about 14.7% y-o-y during FY20 period vis-à-vis a growth of about 6.3% during the corresponding period previous year. Many major manufacturers (OEMs) continued to slash the production between April – December 2019 period owing to declining sales and large inventories of roughly about 30-45 days with dealers and wholesalers, along with the upcoming shift to the new BS-VI standards from April 1, 2020. During January – March 2020, while the inventory was at the normal level, demand continued to decline forcing the OEMs to cut production. Commercial vehicles sales declined sharply by about 30% during the year with Medium and Heavy Commercial Vehicles (M&HCVs) sales declining by about 43% and Light Commercial Vehicles (LCVs) sales by about 21% y-o-y. The nationwide lockdown has also impacted the freight demand leaving the transporters with a significant drop in revenues. Passenger vehicles segment witnessed a decline of 14.8% y-o-y in sales during FY20. Multi-Utility Vehicles (MUV) segment sales on the other hand, witnessed a marginal growth of about 3% y-o-y during the period led by various new model launches along with additional deals and discounts offered by the dealers and players.

After the initial two months of FY21, which witnessed near nil level of sales due to lockdowns, the automotive sector has rebounded. On a sequential basis, all segments have shown growth and are inching closer to previous year's levels. The replacement segment started witnessing improvement from end of May 2020 and the OEM segment started recovering from Q2FY21. The demand continued to be strong in Q3FY21 as well due to festive season especially in the Passenger car segment. MHCV segment has witnessed a jump in demand as manufacturing and infrastructural activity has picked up in the country. The MHCVs showed an impressive recovery mid-September 2020 onwards, as infrastructural and mining activities rose. However, a sustained demand for MHCVs will depend on implementation of the scrappage policy, reduction in GST, rationalization of infrastructural projects, quick auction of coal mines, rise in mining activities, among others. The tractor segment demand was muted since the last couple of years and has been picked up in FY21 owing to good monsoons. Due to COVID-19, the demand for personal mobility is also likely to gain importance; however, this is likely to be more in the 2W category and entry-level passenger cars. Tyre companies which have a higher share of revenue coming from the replacement segment are to an extent insulated from the vagaries of OEM segment.

**Analytical approach:**

Standalone. The ratings however factor in the operational linkages & the financial support which JKTI has to extend to its subsidiaries.

**Applicable Criteria**

**Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings**
**Criteria for Short Term Instruments**
**CARE's Policy on Default Recognition**
**Financial Ratios - Non-Financial Sector**
**Rating Methodology - Manufacturing Companies**
**Rating Methodology- Auto Ancillary Companies**
**Rating Methodology: Consolidation and Factoring Linkages in Ratings**
**Liquidity Analysis of Non-financial sector entities**

**About the Company**
JKTI, the flagship company of the JK group, is headed by Dr R P Singhania as its chairman and managing director. It is a one of the leading tyre manufacturers in India and amongst the top 25 manufacturers in the world with a wide range of products catering to diverse business segments that includes Truck/Bus, LCV (Light commercial vehicles), Passenger Cars, MUV (Multi utility vehicles) and Tractors. JKTI has a global presence in 105 countries with nine plants in India and three in Mexico, with total consolidated capacity of 32 million tyres per annum.

| Brief Financials (Rs. crore) | FY19 (A) | FY20 (A) | 9MFY21 (UA) |
|---|---|---|---|
| Total operating income | 7641 | 6120 | 4133 |
| PBILDT | 759* | 678 | 571 |
| PAT | 204 | 229 | 119 |
| Overall gearing (times)^ | 2.28 | 2.16 | 1.78 |
| Interest coverage (times) | 2.40 | 1.98 | 2.73 |

*A: Audited, UA: Un-Audited*
**Does not include one-time income of Rs 48 crore in FY19.*
*^Including Dealer Deposits*

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Annexure-1: Details of Instruments/Facilities**

| Name of the Instrument | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating assigned along with Rating Outlook |
|---|---|---|---|---|---|
| Fund-based-Long Term | - | - | - | 1700.00 | CARE A-; Stable |
| Non-fund-based - ST-BG/LC | - | - | - | 960.00 | CARE A2+ |
| Non-fund-based - LT/ ST-BG/LC | - | - | - | 280.00 | CARE A-; Stable / CARE A2+ |
| Term Loan-Long Term | - | - | March 2034 | 1958.98 | CARE A-; Stable |
| Fund-based - ST-Term loan | - | - | - | 210.00 | CARE A2+ |
| Fixed Deposit-FD (Long-term)/ FD (Short-term) | - | - | - | 140.00 | CARE A- (FD); Stable / CARE A2+(FD) |

**Annexure-2: Rating History of last three years**

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating history | | | |
|---|---|---|---|---|---|---|---|---|
| | | Type | Amount Outstanding (Rs. crore) | Rating | Date(s) & Rating(s) assigned in 2020-2021 | Date(s) & Rating(s) assigned in 2019-2020 | Date(s) & Rating(s) assigned in 2018-2019 | Date(s) & Rating(s) assigned in 2017-2018 |
| 1. | Fund-based-Long Term | LT | 1700.00 | CARE A-; Stable | 1)CARE A-; Negative (25-Aug-20) | 1)CARE A; Negative (05-Jul-19) | 1)CARE A+; Negative (05-Oct-18) | 1)CARE A+; Stable (11-Aug-17)<br>2)CARE AA-; Negative (05-Apr-17) |
| 2. | Non-fund-based - ST-BG/LC | ST | 960.00 | CARE A2+ | 1)CARE A2+ (25-Aug-20) | 1)CARE A1 (05-Jul-19) | 1)CARE A1+ (05-Oct-18) | 1)CARE A1+ (11-Aug-17)<br>2)CARE A1+ (05-Apr-17) |
| 3. | Non-fund-based - LT/ ST-BG/LC | LT/ST | 280.00 | CARE A-; Stable / CARE A2+ | 1)CARE A-; Negative / CARE A2+ (25-Aug-20) | 1)CARE A; Negative / CARE A1 (05-Jul-19) | 1)CARE A+; Negative / CARE A1+ (05-Oct-18) | 1)CARE A+; Stable / CARE A1+ (11-Aug-17)<br>2)CARE AA-; Negative / CARE A1+ (05-Apr-17) |
| 4. | Term Loan-Long Term | LT | 1958.98 | CARE A-; Stable | 1)CARE A-; Negative (25-Aug-20) | 1)CARE A; Negative (05-Jul-19) | 1)CARE A+; Negative (05-Oct-18) | 1)CARE A+; Stable (11-Aug-17)<br>2)CARE AA-; Negative (05-Apr-17) |
| 5. | Fund-based - ST-Term loan | ST | 210.00 | CARE A2+ | 1)CARE A2+ (25-Aug-20) | 1)CARE A1 (05-Jul-19) | 1)CARE A1+ (05-Oct-18) | 1)CARE A1+ (11-Aug-17)<br>2)CARE A1+ |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | (05-Apr-17) |
| 6. | Commercial Paper-Commercial Paper (Carved out) | ST | - | - | 1)Withdrawn (19-Aug-20) | 1)CARE A1 (05-Jul-19) | 1)CARE A1+ (05-Oct-18) | 1)CARE A1+ (11-Aug-17)<br>2)CARE A1+ (05-Apr-17) |
| 7. | Commercial Paper | ST | - | - | - | 1)Withdrawn (09-Apr-19) | 1)CARE A1+ (05-Oct-18) | 1)CARE A1+ (11-Aug-17)<br>2)CARE A1+ (05-Apr-17) |
| 8. | Fixed Deposit-FD (Long-term)/ FD (Short-term) | LT/ST | 140.00 | CARE A- (FD); Stable / CARE A2+ (FD) | 1)CARE A-; Negative / CARE A2+ (25-Aug-20) | 1)CARE A; Negative / CARE A1 (05-Jul-19) | 1)CARE A+; Negative / CARE A1+ (05-Oct-18) | 1)CARE A+ (FD); Stable / CARE A1+ (FD) (11-Aug-17)<br>2)CARE AA- (FD); Negative / CARE A1+ (FD) (05-Apr-17) |

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities**

| Name of the Instrument | Detailed explanation |
|---|---|
| **A. Financial covenants** | |
| 1. Term loan | Prepayment allowed with prepayment penalty of 1% of outstanding amount |
| **B. Non-financial covenants** | |
| 1. Term loan | Borrower shall submit performance data of the Plants on quarterly basis |

**Annexure 4: Complexity level of various instruments rated for this company**

| Sr. No. | Name of the Instrument | Complexity Level |
|---|---|---|
| 1. | Fixed Deposit-FD (Long-term)/ FD (Short-term) | Simple |
| 2. | Fund-based - ST-Term loan | Simple |
| 3. | Fund-based-Long Term | Simple |
| 4. | Non-fund-based - LT/ ST-BG/LC | Simple |
| 5. | Non-fund-based - ST-BG/LC | Simple |
| 6. | Term Loan-Long Term | Simple |

***Note on complexity levels of the rated instrument:*** *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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**About CARE Ratings:**
CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.



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