Birla Cable Limited

September 07, 2023

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities@	120.00 (Enhanced from 65.00)	CARE A+ (CE); Stable	Reaffirmed
Short-term bank facilities@	176.00 (Enhanced from 123.00)	CARE A1+ (CE)	Reaffirmed
Long-term bank facilities	40.00	CARE BBB+; Stable	Assigned

Details of instruments/facilities in Annexure-1

@ The above ratings are based on credit enhancement in the form of unconditional and irrevocable corporate guarantee from Vindhya Telelinks Limited (VTL; rated CARE A+; Stable/CARE A1+).

Unsupported rating	CARE BBB+/ CARE A2 [Reaffirmed]

Note: Unsupported rating does not factor in the explicit credit enhancement.

Detailed rationale and key rating drivers for the credit-enhanced debt of Birla Cable Limited

The ratings assigned to the bank facilities of Birla Cable Limited (BCL) factor in the credit enhancement in the form of an unconditional and irrevocable corporate guarantee (CG) extended by Vindhya Telelinks Limited (VTL; rated CARE A+; Stable/ CARE A1+) towards the timely servicing of the debt obligations.

Rationale and key rating drivers - VTL (Guarantor)

The ratings assigned to the bank facilities of Vindhya Telelinks Limited (VTL continues to derive strength from resourceful and experienced promoter group with demonstrated financial support to the company and its diversified product portfolio catering to the telecom, power distribution, and solar energy sectors with a strong market position in the supply of optical fibre cables (OFCs) to the telecom sector. The ratings also factor in the healthy order book position of the company strengthened by the large State Water Sanitation Mission (SWSM) order from the Uttar Pradesh State Government; VTL's satisfactory, albeit moderating gearing and debt coverage metrics; and its adequate liquidity.

The ratings also take cognisance of the improved operational and financial performance of the company in FY23 (refers to period April 01 to March 31) and in Q1FY24 (UA) on the back of a recovery in demand witnessed in the engineering, procurement and construction (EPC) business after a muted performance in the past couple of years.

These rating strengths are, however, tempered by the company's large working capital requirements being met through both, fund-based and non-fund-based working capital limits, attributable to the inherently working capital-intensive operations due to the elongated collection cycle (which however improved in FY23) and the substantial inventory holdings in the EPC segment, the inherent risk associated with large and tender-based orders, the susceptibility to volatile raw material prices and the prevalent competition in the EPC as well as cables businesses.

Rating Sensitivities: Factors likely to lead to rating actions (VTL)

Positive Factors

- Significant and sustainable improvement in the operating performance (including the profit before interest, lease rentals, depreciation and taxation [PBILDT] margin) and return on capital employed (ROCE) of more than 15% on a sustained basis.
- Significant and sustainable improvement in the operating cycle to less than 120 days.

Negative Factors

- Adjusted overall gearing (considering corporate guarantee extended to group companies) beyond 1.5x on a sustained basis.
- Deterioration in operating cycle to more than 180 days on sustained basis either by further increase in inventory holding period or collection period.
- Significant and consistent decline in PBILDT margins and moderation in the ROCE to below 9% on a sustained basis.

Analytical approach (VTL): Standalone. Additionally, CARE Ratings Limited (CARE Ratings) has also considered the corporate guarantee extended by VTL to lenders of its group company, BCL while conducting the credit assessment of the VTL.

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Outlook: Stable (VTL)

The stable outlook reflects that VTL is expected to maintain its operating risk profile with its established presence in the cable and the EPC industry supported by long and established relationship with its customers. The solvency and liquidity of the company is also expected to remain stable in the medium term in the absence of any major debt-funded capex plan.

Detailed rationale and key rating drivers – BCL for Standalone / Unsupported rating
The Unsupported rating assigned to the bank facilities of BCL continues to derive strength from resourceful and experienced promoters, operational synergies, as well as financial support extended by the group companies, coupled with a moderate financial risk profile characterised by a satisfactory capital structure and debt protection metrics, and the adequate liquidity. The rating also takes cognisance of the increase in the scale of operations in FY23 and Q1FY24 (UA) and the shortening of the operating cycle of the company. The above rating strengths are, however, tempered by the concentrated yet reputed clientele profile, working capital intensity associated with its operations, susceptibility to volatile raw material prices, as well as the prevalent competition in the cable industry.

Rating Sensitivities: Factors likely to lead to rating actions for Standalone ratings of BCL
Positive factors
- Significant growth in scale of operations marked by TOI of more than ₹1,000 crore with PBILDT margin of more than 9% on a sustained basis.
- Operating cycle remaining less than 100 days on a sustained basis.

Negative factors
- Decline in scale of operations marked by TOI of less than ₹600 crore with PBILDT margin at less than 7% on a sustained basis.
- Operating cycle going beyond 150 days on a sustained basis.

Analytical approach (BCL): Standalone/ Unsupported rating: Standalone along with factoring the group linkage.

Outlook: Stable (BCL)

The stable outlook reflects that BCL shall continue to benefit from its resourceful and experienced promoters and operational synergies with VTL who has also extended the corporate guarantee for the debt availed by BCL.

Detailed description of the key rating drivers (VTL):

Key Strengths
Resourceful, and experienced promoters with demonstrated financial support to the company: VTL is an M. P. Birla group company, one of the established business houses in India having various business interests like cement, jute, carbide, power cables, optical fibre cables, guar gums, power capacitors, etc. These businesses are operated through various companies such as Birla Corporation Limited (rated: CARE AA; Negative/ CARE A1+), Birla Cable Limited (rated: CARE A+(CE); Stable/ CARE A1+(CE), Hindustan Gums & Chemicals Limited (rated: CARE A+; Stable/ CARE A1+), and Universal Cables Ltd (UCL; rated: CARE A; Stable/ CARE A1).
The day to-day operations of the company are managed by a team of experienced and qualified personnel headed by Mr. Y.S. Lodha, Managing Director and CEO, who has over three decades of experience in the cable industry. Moreover, the group has supported the company through the infusion of funds in the form of inter-corporate deposits (ICDs) and unsecured loans (USL), which stood at ₹230 crore as on March 31, 2023. Going forward, CARE Ratings believes that the company will continue to enjoy the group's support and financial flexibility.

Wide product portfolio catering to diverse industries: The company primarily has two operating segments, viz, manufacturing of cables (around 25% of the total operating income [TOI] in FY23) and the EPC division (around 75%). VTL's cable division has a wide range of products, including OFC, copper cables, speciality cables, solar photovoltaic [PV] cables, and also telecom fibre accessories. The company has diversified in railway signalling and quad cables, which are used in the electrification of track routes by the railways.
It also has a presence in the EPC and turnkey solutions segments for infrastructure projects. In addition, the company has received a ₹5,498 crore water sanitation order from the State Water Sanitation Mission (SWSM), Uttar Pradesh Government. Furthermore, a major part of the EPC order book comprises orders related to the energy utilities segment, catering to projects which are primarily funded by the Central Government of India and to the telecom segment. In the telecom segment, the company has been actively involved in government projects such as BharatNet. The company has also executed developed a large optical fibre cable network of around 50000 RKM -under the IP-1 model and started providing services to leading telecom operators. Apart from energy and telecom, the company also undertakes EPC activities for

sewerage pipeline projects, lift irrigation projects, and all other allied project segments. Going forward, the SWSM project is expected to be the major revenue driver.

Healthy order book position providing medium-term revenue visibility: VTL's outstanding order book position as on June 30, 2023, stood at a healthy level of ₹8,265 crore (₹6,859 crore, as on September 30, 2022). The order book has been strengthened by a single order valuing ₹4,104 crore (out of the total order book of ₹5,498 crore) from the SWSM, Government of Uttar Pradesh. The company is required to set up drinking water facilities while connecting all the households in four districts of Uttar Pradesh – Lakhimpur, Kanpur (Nagar), Bijnore, and Ambedkar Nagar. The project is for a total of 6,327 villages and is expected to be executed by March 2025. Post-completion of the project, the company is also required to provide operations and maintenance (O&M) services for a period of 10 years. As the order is expected to be the major revenue driver for the company in the next couple of years, the timely execution (reckoning the large size) and timely realisation of the receivables from the project will remain key monitorable.

Improved operational performance, likely to sustain: The operating income of the company more than doubled to ₹2,902 crore in FY23 driven by significant growth in income from the EPC segment (a y-o-y increase of 174%) along with 26% growth witnessed in the manufacturing segment. The PBILDT and profit-after-tax (PAT) margins moderated to 9.72% and 5.32%, respectively, owing to higher share of income derived from EPC business which has relatively lower profitability margin. Further in Q1FY24 (UA), on the back of improved industry scenario and better execution, the operating income witnessed a healthy growth of more than 171% as compared with the same period last year. The EPC segment witnessed a growth of more than 241% while the cable manufacturing segment was largely stable as compared with the same period last year. The PBILDT margin of the company, however, moderated to 8.34% as compared with the 11.91% achieved in the same period last year. CARE Ratings expects the company to maintain healthy growth of around 20-25% with PBILDT margin of around 8-9% over FY24-FY26 supported by healthy unexecuted orderbook.

Satisfactory leverage and debt coverage indicators: The company reported moderation in overall gearing ratio to 0.72x as on March 31, 2023 (PY: 0.58x). The adjusted gearing (considering the corporate guarantee extended for the bank facilities availed by BCL) also moderated to 0.92x (PY: 0.80). The moderation is on account of increase in debt level and customer advances availed to support the significant growth in scale of operations. The company has availed fresh term loans to modernise the manufacturing facilities.
The debt coverage indicators i.e. PBILDT interest coverage and total debt/ PBILDT ratio however registered improvement to 3.86x and 2.92x in FY23 on the back of improvement in operating profitability supported by improved operating performance. As on March 31, 2023, total debt outstanding of ₹822.75 crore consist of term loans of ₹239.87 crore, ₹ 191.49 crore of working capital borrowings, ₹230 crore is from the group/ related parties, ₹154.74 crore is from advance from customers and lease liabilities of ₹6.64 crore. The company has plans to infuse funds and inter-corporate deposits (ICD's) in future if need arises. CARE Ratings expects overall gearing and total debt to PBILDT ratio to remain below 0.70x and 2.50x over FY24-FY26.

Liquidity: Adequate

The liquidity profile of the company remains adequate, with expected healthy cash accruals vis-à-vis term debt repayment obligations in medium term. The average utilisation of the fund-based working capital limits stood at a comfortable level of around 40% for the period from June 2022 to July 2023. The company also holds shares of the group companies which are listed and the combined aggregate market value of the same stood at over ₹937 crore as on March 31, 2023. Also, the three wholly owned subsidiaries of the company have unencumbered investments (in liquid assets), which can be accessed by VTL in case need arises. Moreover, the business requirements of the company have been supported by the fund infusions by the group entities in the past and the same is expected going forward. The projected capex in FY24 is estimated to be around ₹62.80 crore expected to be funded through through supplier credit/buyer credit of ₹30 crore and rest through internal accruals and government subsidies.With an overall adjusted gearing of 0.92x as on March 31, 2023, VTL has adequate headroom to raise additional debt to meet its capex requirements.

Key weaknesses

Large working capital requirements, albeit lower reliance on working capital borrowings: Although the operating cycle of the company shortened to 141 days in FY23 from 353 days in FY22 on the back of a decline in the inventory holding and collection period, it however continued to remain elongated. The improvement was owing to the realisation of some of the old debtors and timely collection in the incremental orders executed by the company which pertains to SWSM projects. The average credit period for debtors in the cable segment is around 120 days while it is around 150-160 days in the EPC segment. Going forward, the collection period of the company is expected to improve on the back of better realisation terms for the new SWSM project, which is expected to be the major revenue contributor going forward.

Besides, the average utilisation of the fund-based working capital limits stood at a satisfactory level of around 40% for the past 12-month period ended July 2023. The company has high reliance on the non-fund-based working capital limits for the procurement of materials and bank guarantee requirements in the EPC segment and non-fund-based utilization limits stood at around 46% for the past 12-month period ended July 2023.

Susceptibility to volatility in raw material prices: The main raw materials required by the company are copper, aluminium, compounds, and optical fibre. The company procures copper mainly from Hindalco and partially imports it. These purchases are mostly on credit basis or backed by letters of credit (LCs). The other important raw material is optical fibre, which is procured from a group company named Birla Furukawa Fibre Optics Private Limited (rated: CARE A; Stable/ CARE A1). The company is insulated against the volatility in optical fibre prices due to this arrangement. Also, for the EPC orders, the company mostly has price escalation clauses for large and longer tenure orders in most of energy segment orders. However, it may be noted that there is no price variation clause for the SWSM order bagged by the company. Hence, the company remains susceptible to volatility in the prices of other raw materials that are procured from external sources.

Inherent risk associated with the execution of large orders in the EPC segment: VTL derives its major revenue from the execution of orders in the EPC segment (75% in FY23 as compared with 60% in FY22). Even the latest order book (as on June 30, 2023) had the EPC segment contributing around 99% of the total order book position. The company is executing a large water sanitation project in Uttar Pradesh, wherein any procedural delays or weather-related issues can impact the operational performance of the company. Furthermore, around 29% of orders is derived from energy segment where counterparties are majorly central utilities companies, which mitigate the credit risk to an extent. Furthermore, around 6% proportion of the total order book position comprises orders from the telecom segment. Any delay or deferral of operational and capital expenditure of the customers may impact the operational performance of the company. The company also has large EPC orders from state-run company Indian Telephone Industries Limited. Any financial stress in these companies can cause delays in recovery of the payment by VTL.

Prevalent competition in the cable and EPC business: The cable business in recent times is experiencing stiff competition in the domestic market on account of higher installed capacity. Furthermore, the demand in the cable business is mainly dependent on the operational and capital expenditure from the telecom and power distribution companies. Any delay or deferral of such expenditure will impact the revenue visibility of companies catering to this business. Also, the EPC business continues to face competition due to the presence of many players. The order inflow depends on the operating expenses of state discoms, telecom companies, and other government institutions.

Environment, social, and governance (ESG) risks: The company has implemented a zero liquid discharge system at its manufacturing plant located in Rewa. This mechanism ensures that no liquid waste is discharged from the facility. Additionally, the domestic wastewater generated within the facility is treated in a Sewage Treatment Plant (STP),and the resulting treated water is then employed for horticultural purposes within the company's premises. The company has implemented a rooftop solar power plant with a capacity of 2 MW, which has aided in reducing its carbon footprint. The company has implemented robust operational controls to proactively identify and mitigate potential work-related hazards and associated risks. Furthermore, 50% of the members of the board are independent directors.

Detailed description of the key rating drivers of BCL for standalone rating

Key rating strengths

Resourceful, and experienced promoters with demonstrated financial support to the company: BCL is an M. P. Birla group company, one of the established business houses in India having various business interests like cement, jute, carbide, power cables, optical fibre cables, guar gums, power capacitors, etc. These businesses are operated through various companies such as Birla Corporation Limited (rated: CARE AA; Negative/ CARE A1+), Birla Cable Limited (rated: CARE A+(CE); Stable/ CARE A1+(CE), Hindustan Gums & Chemicals Limited (rated: CARE A+; Stable/ CARE A1+), and Universal Cables Ltd (UCL; rated: CARE A; Stable/ CARE A1). Moreover, the group has supported the company through the infusion of funds in the form of inter-corporate deposits (ICDs) and unsecured loans (USL). Going forward, CARE Ratings believes that the company will continue to enjoy the group's support and financial flexibility.

Improved operational performance, likely to sustain: The operating income of the company improved to ₹795.76 crore in FY23 as compared to ₹ 537.80 crore in FY22 at growth rate of 47.96% driven by improved off take in both optical fibre cables (growth of 14.62% on a y-on-y basis) and structured cables (growth of 37.71% on a y-on-y basis). The PBILDT margins remained steady at 8.45% during FY23 in-spite of high volatility in raw material prices. Further in Q1FY24 (UA), on the back of healthy demand, the operating income witnessed an increase of 17.75% as compared with the same period last year. CARE Ratings expects company to maintain growth of around 3-3.5% with PBILDT margin of around 7-7.75% over FY24-FY26 supported by healthy unexecuted orderbook.

Moderating leverage and debt coverage indicators: The company reported slight moderation in overall gearing ratio to 0.57x as on March 31, 2023 (PY: 0.45x). The adjusted overall gearing (considering adjustment for investment made in subsidiaries and group/associate companies) also moderated to 0.65x as on March 31,2023 (PY:0.47x). The moderation was on account of increase in long term debt availed by the company which has increased to support the growth in scale of operations. Despite moderation in leverage ratio, it continued to remain satisfactory at below unity. The debt coverage indicators i.e. PBILDT interest coverage and total debt/ PBILDT ratio remained comfortable at 5.21x (PY: 7.44x) and 1.95x (PY:1.82 x) in FY23 respectively. Out of the total debt outstanding of ₹131 crore as on March 31, 2023, debt amounting to ₹15 crore is from the group/ related parties. CARE Ratings expects the overall gearing and total debt to PBILDT ratio to remain below 0.70x and 3.30x over FY24-FY26.

Liquidity: Adequate

The liquidity profile of the company remains adequate, with expected healthy cash accruals vis-à-vis term debt repayment obligations in the medium term. The average utilisation of the fund-based working capital limits stood at a comfortable level of around 65% for the period from June 2022 to July 2023. Moreover, the business requirements of the company have been supported by the fund infusions by the group entities in the past and the same is expected going forward. The projected capex in FY24 is estimated to be around ₹49 crore which is expected to be funded through /buyers credit/suppliers credit of ₹32 crore and rest through internal accruals. With an overall adjusted gearing of 0.65x as on March 31, 2023, BCL has adequate headroom to raise additional debt to meet its capex requirements.

Key weaknesses

Large working capital requirements, albeit lower reliance on working capital borrowings: Although the operating cycle of the company shortened to 97 days in FY23 from 110 days in FY22 on the back of a decline in the inventory holding and collection period, it however continued to remain elongated. The improvement was owing to the realisation of some of the old debtors. The average credit period for debtors in the cable segment is around 120 days while it is around 90 days for export related debtors. Besides, the average utilisation of the fund-based working capital limits stood at a satisfactory level of around 65% for the past 12-month period ended July 2023. The company has moderate reliance on the non-fund-based working capital limits for the procurement of materials and bank guarantee requirements in the cable segment and non-fund-based limits utilization stood at around 47% for the past 12-month period ended July 2023.

Susceptibility to volatility in raw material prices: The main raw materials required are copper, optical fibre. The company procures copper mainly from Hindalco and partially imports it. These purchases are mostly on direct credit basis or backed by letters of credit (LCs)/Bank Guarantee. The other important raw material is optical fibre, which is procured from a group company named Birla Furukawa Fibre Optics Private Limited (rated: CARE A; Stable/ CARE A1). The company is insulated against the volatility in optical fibre prices due to this arrangement. In-spite of volatility in raw material prices over the years, the company's PBILDT margins have remained range bound at around 7.93% to 8.52 % in last three fiscal years. The company is also exposed to currency risk w.r.to import of raw materials and export of finished products, however there is natural hedge to an extent as imports were ₹153.10 crore in FY23 and exports were ₹230 crore. Also to mitigate the risk arising out of exchange fluctuation, the company has a concrete forex risk management policy. The foreign currency transaction risk is managed through selective hedging by way of forward contracts primarily for underlying transactions.

Prevalent competition in the cable business: The cable business in recent times is experiencing stiff competition in the domestic market on account of higher installed capacity. Furthermore, the demand in the cable business is mainly dependent on the operational and capital expenditure from the telecom and power distribution companies. Any delay or deferral of such expenditure will impact the revenue visibility of companies catering to this business.

Applicable criteria

Policy on default recognition
Factoring Linkages Parent Sub JV Group
Financial Ratios – Non financial Sector
Liquidity Analysis of Non-financial sector entities
Rating Credit Enhanced Debt
Rating Outlook and Credit Watch
Short Term Instruments
Manufacturing Companies
Policy on Withdrawal of Ratings

About the company and industry

About the company – VTL(Guarantor)

Industry Classification

Macro-Economic Indicator	Sector	Industry	Basic Industry
Industrials	Capital Goods	Industrial Products	Cables - Electricals

VTL is engaged in the manufacturing of telecom cables as well as EPC services to telecom, power, gas distribution pipelines, water and sewage projects. The manufacturing plant of the company is located at Rewa, Madhya Pradesh. The company currently has an optical fibre cable manufacturing capacity of 60 lakh fibre km per annum. The company caters to a reputed client base like Bharat Sanchar Nigam Limited, Mahanagar Telephone Nigam Limited, Indian Railways, Defence (Indian Army), NTPC Limited, Steel Authority of India Limited, Bharti Airtel Ltd, Reliance Jio Infocom Ltd, etc. The company has also recently ventured into the EPC of water sanitation projects by bagging a large order under the SWSM, Uttar Pradesh, which entails providing functional household tap connection (FHTC) in all allocated households in the four districts of the state.

Brief Financials (₹ crore)	FY22 (Audited)	FY23 (Audited)	Q1FY24 (UA)
Total operating income	1325.23	2901.50	850.81
PBILDT	161.34	282.04	70.97
PAT	84.61	154.30	37.84
Overall gearing (times)	0.58	0.72	NA
Interest coverage (times)	2.84	3.86	3.60

A: Audited; UA: Unaudited; NA: Not available
Financials are reclassified as per CARE Ratings' standards.
Note: 'The above results are latest financial results available'.

About the company – BCL

Macro-Economic Indicator	Sector	Industry	Basic Industry
Industrials	Capital Goods	Industrial Products	Cables - Electricals

BCL, incorporated in 1992, belongs to the M P Birla group and is engaged in the manufacturing and sales of all types of optical fibre cables, copper telecommunication cables, structured copper cables, specialty cables, and allied accessories. The company has a manufacturing plant at Rewa, Madhya Pradesh, with a total capacity of around 3,600,000 fibre km. The company is currently headed by Harsh V Lodha, Chairman.

Brief Financials (₹ crore)	FY22 (Audited)	FY23 (Audited)	Q1FY24 (UA)
Total operating income	537.80	795.76	174.10
PBILDT	45.81	67.27	12.47
PAT	21.74	33.49	11.98
Overall gearing (times)	0.45	0.57	NA
Interest coverage (times)	7.44	5.21	3.40

A: Audited; NA: Not available
Financials are reclassified as per CARE Ratings' standards.
Note: 'The above results are latest financial results available'.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for the last three years: Please refer Annexure-2

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

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash credit	-	-	-	-	120.00	CARE A+ (CE); Stable
Non-fund-based - ST-BG/LC	-	-	-	-	170.00	CARE A1+ (CE)
Non-fund-based - ST-Working capital limits (LER)	-	-	-	-	6.00	CARE A1+ (CE)
Fund-based - LT-Term Loan	-	-	-	Dec-2027	40.00	CARE BBB+; Stable
Un Supported Rating-Un Supported Rating (LT/ST)	-	-	-	-	0.00	CARE BBB+ / CARE A2

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Cash credit	LT	120.00	CARE A+ (CE); Stable	-	1)CARE A+ (CE); Stable (03-Jan-23)	1)CARE A+ (CE); Stable (03-Dec-21)	1)CARE A+ (CE); Stable (11-Feb-21)
2	Non-fund-based - ST-Working capital limits (LER)	ST	6.00	CARE A1+ (CE)	-	1)CARE A1+ (CE) (03-Jan-23)	1)CARE A1+ (CE) (03-Dec-21)	1)CARE A1+ (CE) (11-Feb-21)
3	Non-fund-based - ST-BG/LC	ST	170.00	CARE A1+ (CE)	-	1)CARE A1+ (CE) (03-Jan-23)	1)CARE A1+ (CE) (03-Dec-21)	1)CARE A1+ (CE) (11-Feb-21)
4	Un Supported Rating-Un Supported Rating (LT/ST)	LT/ST*	0.00	CARE BBB+ / CARE A2	-	1)CARE BBB+ / CARE A2 (03-Jan-23)	1)CARE BBB+ / CARE A2 (03-Dec-21)	1)CARE BBB+ / CARE A2 (11-Feb-21)
5	Fund-based - LT-Term loan	LT	40.00	CARE BBB+; Stable	-	-	-	-

*Long term/short term

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

Name of the Instrument	Detailed Explanation
A. Financial covenants	Company to maintain TOL/ATNW <= 2.25(to be tested on yearly basis), where ATNW is defined as adjusted Tangible Networth which is adjusted for loans and advances and investment to related parties
B. Non-financial covenants	NA

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Complex
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	Complex
4	Non-fund-based - ST-Working Capital Limits (LER)	Complex
5	Un Supported Rating-Un Supported Rating (LT/ST)	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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