

Century Textiles and Industries Ltd

May 29, 2018

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Commercial Paper issue	2200.00 (Rs. Two thousand two hundred crore only)	CARE A1+ (A One Plus)	Reaffirmed

Detailed Rationale & Key Rating Drivers

CARE reaffirms the rating assigned to the Commercial Paper issue of Century Textiles and Industries Ltd (CTIL) post the announcement made by CTIL, that the board of directors has approved the scheme of arrangement to demerge CTIL's cement division into UltraTech Cement Limited (UCL). According to the scheme, UCL shall issue one equity share for every eight equity shares of CTIL. Furthermore, debt of around Rs. 3,000 crore will be transferred to UCL. The transaction is expected to be completed in the next 6-9 months subject to the fulfillment of statutory and regulatory approvals.

The above arrangement is likely to improve the capital structure and risk profile of CTIL. However, the same will result in constraining the revenue diversification and reduction of operating profits going ahead.

For detailed press release please refer to the CTIL press release dated September 29, 2017 on CARE's website.

Analytical approach: Standalone

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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.

Analyst Contact:

Name: Hitesh M Avachat

Tel: 022 6754 3510

Email: hitesh.avachat@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Commercial Paper	-	-	-	2200.00	CARE A1+

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 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Term Loan-Long Term	-	-	-	-	-	-	-
2.	Commercial Paper	-	-	-	-	-	-	-
3.	Short Term Instruments-CP/STD	ST	-	-	-	-	1)Withdrawn (30-Dec-16) 2)CARE A1+ (27-Apr-16)	-
4.	Short Term Instruments-CP/STD	ST	-	-	-	-	1)Withdrawn (30-Dec-16) 2)CARE A1+ (27-Apr-16)	-
5.	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (30-Dec-16) 2)CARE AA- (27-Apr-16)	-
6.	Non-fund-based - ST-BG/LC	ST	-	-	-	-	1)Withdrawn (30-Dec-16) 2)CARE A1+ (27-Apr-16)	-
7.	Fund-based - LT-Cash Credit	LT	-	-	-	-	1)Withdrawn (30-Dec-16) 2)CARE AA- (27-Apr-16)	-
8.	Fund-based - ST-Working Capital Demand loan	ST	-	-	-	-	1)Withdrawn (30-Dec-16) 2)CARE A1+ (27-Apr-16)	-
9.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (07-Apr-16)	-
10.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (30-Dec-16) 2)CARE AA- (27-Apr-16)	-
11.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (07-Apr-16)	-
12.	Commercial Paper	ST	2200.00	CARE A1+	-	1)CARE A1+ (20-Dec-17) 2)CARE A1+ (29-Sep-17)	-	-

CONTACT**Head Office Mumbai**

Ms. Meenal Sikchi
Cell: + 91 98190 09839
E-mail: meenal.sikchi@careratings.com

Mr. Ankur Sachdeva
Cell: + 91 98196 98985
E-mail: ankur.sachdeva@careratings.com

Ms. Rashmi Narvankar
Cell: + 91 99675 70636
E-mail: rashmi.narvankar@careratings.com

Mr. Saikat Roy
Cell: + 91 98209 98779
E-mail: saikat.roy@careratings.com

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Ltd.)

Corporate Office: 4th Floor, Godrej Coliseum, Somaia Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

AHMEDABAD

Mr. Deepak Prajapati
32, Titanium, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015
Cell: +91-9099028864
Tel: +91-79-4026 5656
E-mail: deepak.prajapati@careratings.com

JAIPUR

Mr. Nikhil Soni
304, Pashupati Akshat Heights, Plot No. D-91,
Madho Singh Road, Near Collectorate Circle,
Bani Park, Jaipur - 302 016.
Cell: +91 – 95490 33222
Tel: +91-141-402 0213 / 14
E-mail: nikhil.soni@careratings.com

BENGALURU

Mr. V Pradeep Kumar
Unit No. 1101-1102, 11th Floor, Prestige Meridian II,
No. 30, M.G. Road, Bangalore - 560 001.
Cell: +91 98407 54521
Tel: +91-80-4115 0445, 4165 4529
Email: pradeep.kumar@careratings.com

KOLKATA

Ms. Priti Agarwal
3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)
10A, Shakespeare Sarani, Kolkata - 700 071.
Cell: +91-98319 67110
Tel: +91-33- 4018 1600
E-mail: priti.agarwal@careratings.com

CHANDIGARH

Mr. Anand Jha
SCF No. 54-55,
First Floor, Phase 11,
Sector 65, Mohali - 160062
Chandigarh
Cell: +91 85111-53511/99251-42264
Tel: +91- 0172-490-4000/01
Email: anand.jha@careratings.com

NEW DELHI

Ms. Swati Agrawal
13th Floor, E-1 Block, Videocon Tower,
Jhandewalan Extension, New Delhi - 110 055.
Cell: +91-98117 45677
Tel: +91-11-4533 3200
E-mail: swati.agrawal@careratings.com

CHENNAI

Mr. V Pradeep Kumar
Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.
Cell: +91 98407 54521
Tel: +91-44-2849 7812 / 0811
Email: pradeep.kumar@careratings.com

PUNE

Mr. Pratim Banerjee
9th Floor, Pride Kumar Senate,
Plot No. 970, Bhamburda, Senapati Bapat Road,
Shivaji Nagar, Pune - 411 015.
Cell: +91-98361 07331
Tel: +91-20- 4000 9000
E-mail: pratim.banerjee@careratings.com

COIMBATORE

Mr. V Pradeep Kumar
T-3, 3rd Floor, Manchester Square
Puliakulam Road, Coimbatore - 641 037.
Tel: +91-422-4332399 / 4502399
Email: pradeep.kumar@careratings.com

CIN - L67190MH1993PLC071691

HYDERABAD

Mr. Ramesh Bob
401, Ashoka Scintilla, 3-6-502, Himayat Nagar,
Hyderabad - 500 029.
Cell : + 91 90520 00521
Tel: +91-40-4010 2030
E-mail: ramesh.bob@careratings.com