



International Combustion (India) Limited

Regd. Off.: Infinity Benchmark, 11th Fl., Plot No. G-1,
Block-EP & GP, Sector-V, Salt Lake, Kolkata - 700 091, India
12th July, 2022

M/s. Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai - 400 001

Scrip Code : 505737
Sub : Credit Rating

Dear Sirs,


Pursuant to Regulation 30 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the newly appointed credit rating agency of the Company, Care Ratings Limited (CARE), has assigned the long-term rating of CARE BBB- (pronounced as CARE triple B minus) [signifying a moderate degree of safety regarding timely servicing of financial obligations] on the fund-based and non-fund based working capital credit facilities enjoyed by the Company from its bankers on consortium basis. The outlook on the long term rating has been stated as Stable. CARE has also assigned the short-term rating of CARE A3 (pronounced as CARE A three) [signifying a moderate degree of safety regarding timely servicing of financial obligations and carrying higher credit risk as compared to instruments rated in the two higher categories] on the aforementioned facilities.

CARE has assigned the above ratings primarily taking into account the experienced promoters of the Company with established track record in material handling & industrial gear segments, reputed and diversified clientele, moderate order book position providing revenue visibility in the near term & technological tie-ups with reputed global players which enhance the competitive position of the Company. The rating also factors in moderate financial performance of the Company with significant improvement witnessed in FY 2021-22 on the back of increased demand in material handling equipment & industrial gear segments. The rating also draws comfort from satisfactory capital structure marked by low reliance on external debt.

The rating however is partially offset by weak performance of the building material segment which has continued to exert pressure on overall profitability & cash flows of the Company. CARE, however, has opined that with the introduction of newer products in the building material segment & collaboration with a reputed global player, the segment's sales have improved & losses have reduced & is expected to break even in the current financial year. The rating is also constrained by cyclicity associated with the engineering & capital goods industry, competitive nature of industry & susceptibility of profitability to volatility in prices of raw materials due to fixed price contracts with customers.

This rating assignment by CARE is to be considered as a ratings upgrade vis-a-vis the last ratings intimated by the Company to the exchange in January, 2022, which was assigned by the erstwhile ratings agency of the Company, viz. ICRA Ltd., being the long-term rating of [ICRA]BB+ and short-term rating of [ICRA]A4+.

Thanking You,
Yours faithfully,
For International Combustion (India) Limited


P. R. Sivasankar
Company Secretary