



**FUTURE CONSUMER LIMITED** (Formerly Future Consumer Enterprise Limited)

**Corporate Office :** 247 Park, Tower "C", 8th Floor, LBS Marg, Vikhroli (W), Mumbai - 400 083

(T) +91 22 6119 0000 | www.futureconsumer.in

**Regd. Office :** Knowledge House, Shyam Nagar, Off JVLR, Jogeshwari (East), Mumbai - 400 060

(T) +91 22 6644 2200 | CIN: L52602MH1996PLC192090

29<sup>th</sup> July, 2020

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001  
**Scrip Code: 533400**

To,  
National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (East), Mumbai-400 051  
**Scrip Code : FCONSUMER**

Dear Sir,

**Sub.: Intimation of Credit Rating**

This is to inform you that, the Company has received letter(s) from CARE Ratings Limited dated 28<sup>th</sup> July, 2020, for credit rating in respect of Bank Facilities, Non-Convertible Debentures and Commercial Paper, details of which are as under:

<b>Facility / Instrument</b>	<b>Amount (Rs. in Crore)</b>	<b>Rating</b>	<b>Rating Action</b>
Commercial Paper Issue	100.00	CARE A4 (A Four) (Credit watch with developing implications)	Revised from CARE A2+ (A Two Plus) Continues to be on credit watch with developing implications
Non-Convertible Debentures Issue	20.00	CARE BB (Double B) (Credit watch with developing implications)	Revised from CARE A- (Single A) Continues to be on credit watch with developing implications
Long-term Bank Facilities (Fund-based)	266.00	CARE BB (Double B) (Credit watch with developing implications)	Revised from CARE A- (Single A) Continues to be on credit watch with developing implications
Short-term Bank Facilities (Fund-based)	70.00	CARE A4 (A Four) (Credit watch with developing implications)	Revised from CARE A2+ (A Two Plus) Continues to be on credit watch with developing implications



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Short-term Bank Facilities (Non-fund-based)	25.00	CARE A4 (A Four) (Credit watch with Developing implications)	Revised from CARE A2+ (A Two Plus) Continues to be on credit watch with developing implications
Long/Short-term Bank Facilities (Fund-based)	109.00	CARE BB/ CARE A4 (Double B/ A Four) (Credit watch with Developing implications)	Revised from CARE A- / CARE A2+ (Single A Minus / A Two Plus) Continues to be on credit watch with developing implications
Long-term Bank Facilities (Term Loan)	45.50	CARE BB (Double B) (Credit watch with Developing implications)	Revised from CARE A- (Single A) Continues to be on credit watch with developing implications
<b>TOTAL</b>	<b>635.50</b>		

Further, please find enclosed herewith letter dated 29<sup>th</sup> July, 2020 received from CARE Ratings Limited, providing reason/rationale for the ratings assigned by them.

Kindly consider this as an intimation in terms of the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Thanking you,

Yours truly,

For **Future Consumer Limited**

**Manoj Gagvani**

**Company Secretary & Head - Legal**

Encl.: as above

**Mr. Sailesh Kedawat**  
Chief Financial Officer  
**Future Consumer Ltd.**  
**(erstwhile Future Consumer Enterprise Ltd.)**  
8<sup>th</sup> Floor, Tower C, 247 Park,  
LBS Marg, Vikhroli West,  
Mumbai - 400083

July 29, 2020

Confidential

Dear Sir,

**Credit rating of Bank facilities for Rs. 515.50 crore and instruments of Rs. 120 crore**

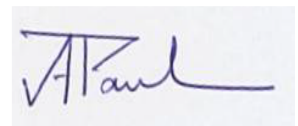
Please refer to our communication dated July 27, 2020 on the above subject.

2. The rationale for the rating is attached as an **Annexure-I**.
3. We request you to peruse the annexed document and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by end of day we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,



**Arunava Paul**  
**(Asst. General Manager)**

Encl.: As above

**CARE Ratings Ltd.**

**Annexure-I**  
**Rating Rationale**

**Future Consumer Limited**

**Ratings**

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term Bank Facilities (Fund-based)	266	CARE BB (Double B) (Credit watch with developing implications)	Revised from CARE A- (Single A) Continues to be on credit watch with developing implications
Short-term Bank Facilities (Fund-based)	70	CARE A4 (A Four) (Credit watch with developing implications)	Revised from CARE A2+ (A Two Plus) Continues to be on credit watch with developing implications
Short-term Bank Facility (Non- fund-based)	25	CARE A4 (A Four) (Credit watch with developing implications)	Revised from CARE A2+ (A Two Plus) Continues to be on credit watch with developing implications
Long/Short-term Bank Facilities (Fund-based)	109	CARE BB/CARE A4 (Double B/A Four) (Credit watch with developing implications)	Revised from CARE A-/ CARE A2+ (Single A Minus/A Two Plus) Continues to be on credit watch with developing implications
Long-term Bank Facility (Term Loan)	45.50	CARE BB (Double B) (Credit watch with developing implications)	Revised from CARE A- (Single A) Continues to be on credit watch with developing implications
<b>Total</b>	<b>515.50</b> <b>(Rs. Five hundred and fifteen</b> <b>crore and fifty lakhs only)</b>		
Short term instruments- Commercial Paper (CP)	100	CARE A4 (A Four) (Credit watch with developing implications)	Revised from CARE A2+ (A Two Plus) Continues to be on credit watch with developing implications
Long term instruments: Non-convertible debentures (NCD)	20	CARE BB (Double B) (Credit watch with developing implications)	Revised from CARE A- (Single A) Continues to be on credit watch with developing implications

*Details of instruments/facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

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CARE has revised the Long Term and Short Term ratings assigned to the bank facilities/instruments of Future Consumer Limited (FCL) and has placed the ratings under 'Credit Watch with Developing Implications' from 'Credit watch with Negative Implications'

The revision of ratings assigned to the bank facilities and instruments of FCL primarily factors in further weakening of the liquidity position of its key customer which is also the flagship entity of the Future Group i.e. Future Retail Limited (FRL) [rated CARE BB+ /CARE A4+ (Credit watch with developing implications)]. FRL has missed interest payment on USD bonds of 500 million due on July 22, 2020 and is required to make the payment within a 30-day grace period, failing which it shall be constituted as an 'Event of Default.' According to the management, FRL shall be releasing the payment within the grace period, which is contingent upon release of enhanced limits from bankers. FRL is engaged mainly in home & electronics retailing and value retailing. FRL operates Big Bazaar, Easy Day, Foodhall among other format retail stores. Due to the coronavirus pandemic, the retail sector has been one of the most adversely affected sectors as all the malls/retail outlets which house various retailers (for staples as well as for products associated with discretionary spending, such as consumer durables, fashion goods and garments) have been shut following the lockdown imposed by the Government and its subsequent extensions. CARE expects the recovery in retail sector to be slow and gradual on account of subsequent extensions of nationwide lockdown and given the likely reduction in discretionary spend by the customers towards non-essential items.

FCL has significant financial, operational and management linkages with FRL which is its largest customer accounting for almost 80% of its sales annually. The pandemic has led to a general slowdown in the economy impacting the cash cycle and increased likelihood of delay of collection. The impact of the coronavirus crisis on FRL and overall on the Indian retail sector is thus expected to result in shrinkage in business volumes and operating cash flow which could further stress the liquidity position of FCL. The rating revision of FCL also factors in losses reported during FY20. These were on account of the company providing expected credit loss (ECL) on debtors which have a likelihood of delay in collection along with impairment losses on two of its significant business investments. The sales mix tilted towards essentials in Q4FY20, which compelled FCL to carry out rationalization of several slow moving SKU's. Liquidation of near expiry SKU's in processed food and Home and Personal Care (HPC) segment impacted the margins. In order to trim/repay existing debt, the group overall has been exploring fund raising opportunities such as equity infusion and monetization of non-core assets.

The impact of pandemic has started disrupting the business operations of FCL severely towards the end of Q4FY20, leading to challenges in sourcing, manpower, supply chain and distribution impacted by state closures due to lockdown. Over 290 stores including franchisees/retail outlets were closed on account of lockdown.

The rating action also continues to factor in the decline of overall market capitalization of the Future group, thereby impacting financial flexibility and making it more challenging to raise further capital. The ratings also factor in intense competition from organised and unorganised sector players in the FMCG industry, uncertainty on account of the coronavirus crisis and weakened financial flexibility of the parent group. CARE notes that some of the newly set-up subsidiaries/JV's of FCL are gradually commencing operations. However, given the current pandemic situation, adverse external factors and the fact that credit profile of some these entities are contingent upon FCL, CARE believes that FCL may have to continue rendering financial support to these subsidiaries/JV's, albeit to a lesser extent. FCL has also sought a moratorium on payments from its lenders as part of the COVID19 - Regulatory Package announced by the RBI on March 27, 2020.

The ratings continue to derive strength from the experienced promoter group of FCL in retail sector as well as its presence across the fast moving consumer goods (FMCG) value chain – from sourcing and processing, to

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*branding and distribution in rural and urban markets. The ratings also factor in the established private label FMCG brands of the company.*

*The ratings have been placed on credit watch with developing implications on account of disruption in operations due to the coronavirus pandemic which could further impact the business and financial risk profile. The group is also in discussion with investors for equity infusion. CARE shall also be continuously monitoring the coronavirus crisis and its impact on the business of FCL and the group's ability to raise funds to trim/repay existing debt. CARE may remove the ratings from watch, and would take a final action on the ratings once clarity emerges on these issues.*

### **Key Rating Sensitivities**

#### **Positive**

- Strong and resilient recovery in operations and cash flows across the Future Group. Commensurate infusion of equity/monetization of assets to trim existing debt could also be positive for the rating.
- Stronger-than-anticipated business performance due to fast ramp-up of operations and cost optimization measures leading to improvement of PBILDT margin to 8%-10%.

#### **Negative**

- Further decline in the credit profile of the group due to the impact of coronavirus crisis or otherwise
- Weaker than anticipated recovery in operations of FCL post lockdown

### **Detailed description of the key rating drivers**

#### ***Weakening of credit profile and liquidity of key customer, prompting company to provide for Expected Credit Loss***

FCL has significant financial and operational linkages with FRL which is its largest customer accounting for almost 80% of its sales annually. As per the management, the revenue dependence on FRL has declined significantly in FY20, although it continues to account for the bulk of sales. Due to the coronavirus pandemic, the retail sector has been one of the most adversely affected following the lockdown imposed by the Government and its subsequent extensions. FRL has currently been able to sell only lower margin essential items which has resulted in substantial decline in its monthly sales in since March 2020. FRL has been facing adverse liquidity issues and has missed interest payment on USD bonds of 500 million due on July 22, 2020 and is required to make the payment within a 30-day grace period, failing which it shall be constituted as an 'Event of Default.' According to the management, FRL shall be releasing the payment within the grace period, which is contingent upon release of enhanced limits from bankers.

#### ***Moderation in performance on account of coronavirus pandemic***

The 21-day nation-wide lockdown which was initially announced on March 25, 2020 has subsequently been extended phase-wise in order to contain the spread of the highly infectious coronavirus. However there has been some relaxation of lockdown in some regions (dependent upon directives from the local government and extent of spread of the virus) in an endeavor to kick start the economy. CARE notes that the monthly sales of FCL are yet to reach pre-pandemic levels. However, CARE believes that the dip is transient primarily on account of disruption in operations and is expected to improve in the short term with additional relaxations permitted, steadily improving demand and government's continued focus on making essentials readily available.

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### ***Loss reported in FY20 on account of provisioning and impairment loss on investments***

Due to the coronavirus pandemic, FCL's sales mix has tilted towards essentials. During Q4FY20, the company carried out rationalisation and liquidation of 800 SKU's which were slow moving. Liquidation of near expiry SKU's in processed food and Home and Personal Care segment impacted the margins. The impact of pandemic started disrupting the business operations of FCL severely towards the end of Q4FY20 leading to disruptions in sourcing, supply chain and distribution impacted by state closures due to lockdown. Over 290 stores including franchisees/retail outlets were closed on account of lockdown. On account of challenging business scenario, company has provided for expected credit loss (ECL) of Rs.79 crore in receivables for FY20. This factors those debtors only where there is a likelihood of delay although historically the company has not witnessed any significant write-offs. These debts are majorly outstanding from its key customer FRL which is currently facing liquidity issues. FCL has also booked impairment loss of Rs. 276 crore on certain investments in its subsidiaries i.e. Aadhaar Wholesale Trading and Distribution Limited and The Nilgiri Dairy Farm Private Limited. In Nilgiris, FCL closed unprofitable business and franchisees and in Aadhaar wholesale, it exited geographies which were impacting profitability.

### ***Significant exposure in subsidiaries/Joint ventures***

FCL has been supporting its subsidiaries/JV's by providing loans as well as making investments/providing corporate guarantee to their debt for supporting their expansion plans. Due to impairment, total value of investments in subsidiaries has come down to Rs. 480 crore as on March 31, 2020 from Rs. 706 crore as on March 31, 2019. These companies are engaged into procurement, trading, manufacturing, etc of FMCG goods. The management has always been constantly monitoring all their business verticals and taking steps to identify and address key weaknesses. CARE notes that some of the newly set-up subsidiaries/JV's of FCL are gradually commencing operations. However, given the current pandemic situation, adverse external factors and the fact that credit profile of some these entities are contingent upon FCL, CARE believes that FCL may have to continue rendering financial support to these subsidiaries/JV's albeit to a lesser extent.

### ***Intense competition from organised and unorganised sector players***

Indian FMCG market is characterized by a large number of organised and unorganised players. The domestic organised sector comprises of some of the world's biggest giants in this business who enjoy strong brand equity in the market while also commanding the highest market share. Overall, the FMCG market remains highly fragmented with widespread use of unbranded and unpacked products. CARE Ratings notes that given the greater awareness of hygiene during the current crises, consumer preferences could shift towards packaged and branded products leading to potentially higher revenues for the large organised players such as FCL.

### ***Experienced promoter group***

FCL is part of the Future Group, which is one of the largest retailers in India with Future Retail Ltd (FRL) being the flagship company of the group. The promoters of FCL are involved in the management of business and in defining and monitoring the business strategy for the company and have been successful in building and scaling up of value retail business in the country. Furthermore, the promoters are supported by a strong management team having significant experience in the FMCG and retail industry.

### ***Equity infusion in FY20 and reduction in debt***

FCL had raised around Rs. 300 crore equity in FY20 which had been utilised towards repayment of debt, development and expansion of manufacturing and processing operations for food and home & personal care products, expansion of its rural distribution network and working capital requirement. Total outstanding borrowings of FCL (Standalone) had come down from Rs. 735 crore as on March 31, 2019 to Rs. 514 crore as on March 31, 2020. Further, the company is exploring fund raising options through equity/equity linked instruments to further trim the existing debt.

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***Wide presence across FMCG value chain along with strong marketing, distribution network and optimized supply chain management***

FCL is focused on developing an integrated strategy with presence across the FMCG value chain – from sourcing and processing, to branding and distribution in rural and urban markets. On a standalone basis, FCL has various business verticals viz. Private Brands (through contract manufacturing), fruits and vegetable sourcing, Agri-sourcing and processing. FCL constantly expands its product portfolio and has recently entered the dairy product segment and organic food segments with strategic tie-up from overseas brands. FCL distributes the Private Brands majorly to FRL (as per the requirement placed) which retails them through Big Bazaar and Food Bazaar networks. Big Bazaar is one of the largest value store chain in the country. Moreover, the company also sells through small stores format of Future group (Easy day and Heritage). FCL operates under an asset light business model, wherein warehouses are on long term lease basis and company invests in equipment/infrastructure required for the warehouse management. The warehouses help manage the supply chain activities of the private brands in the proximity areas. FCL also has an integrated food park in Tumkur, equipped to manufacture a wide range of FMCG products.

***Demonstrated track record of stable operations***

FCL's TOI has remained stable during FY20 albeit a fall witnessed in Q4FY20 mainly on account of the coronavirus pandemic. FCL also carried out some rationalization of their product portfolio by focusing on core brands and categories and discontinuing those products not delivering desired revenue/return. FCL announced its online distribution tie-up with e-retailer giant Amazon for its portfolio of brands which is expected to increase share of sales outside Future group.

***Liquidity:*** Stretched

The company's liquidity has been severely impacted on account of lockdown measures. The company has applied to the lenders for moratorium as per RBI package. The group has applied to the bankers for enhancement in working capital limits and COVID19 emergency lines to alleviate present liquidity concerns. The group is also considering monetization of assets to trim debt. With respect to near-term debt repayment obligations upto H1FY21, FCL has to repay Rs. 20 crore towards redemption of NCD and Rs. 3 crore towards term loan installment. As on March 31, 2020 company had cash and cash equivalents of Rs. 29.83 crore.

***Industry Outlook***

The retail sector is one of the most adversely affected sectors due to coronavirus outbreak as all the malls which house various retailers and non-essential stores, have been shut following the lockdown imposed by the Government. However as compared to other retail segments such as fashion and lifestyle, grocery and food items would have the least impact as it falls under essential category. Moreover, post expected lifting/relaxation of the lockdown, this segment is expected to take the centre-stage as the demand for non-essentials shall take a longer time to pick up. The impact on demand, which is expected to remain muted at least for the next three or four quarters, will be more in case of players with presence in non-essential items and luxury segments. However, the expected support from the government in terms of financial stimulus packages and wage support subsidy as well as rental waivers from the mall-owners which would help the retailers to bring down their fixed costs, will reduce the impact on their credit profile to an extent. The retailers with presence in essential commodities continue to have some cash flows to support their fixed costs. After the control of the spread of the coronavirus and post the lock-down period, the spending as well as shopping patterns of the consumers are expected to change significantly. The consumers are likely to curtail their discretionary spending with reduced income in their hands as well as tendency to preserve cash. Also, more preference is likely towards online channels in order to avoid crowded spaces. In such times, the retailers with presence across the retail segments (grocery, apparel, appliances, accessories) as well as who have an omni-channel strategy with presence in both offline and online channels are expected to have a quicker recovery.

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**Analytical approach:** Standalone financials of FCL are considered with factoring in all the support provided to subsidiaries and JVs.

**Entities for which financial support is factored**

*Integrated food park Ltd.*

*Aussee Oats India Limited*

*Bloom Foods and Beverages Pvt Ltd*

*MNS Food Private Ltd.*

*Sublime Food Private Ltd.*

*The Nilgiri Dairy Farm Private Limited*

*Hain Future Natural Products Pvt Ltd*

**Applicable Criteria**

[CARE's Policy on Default Recognition](#)

[CARE's methodology for Short-term Instruments](#)

[Rating Outlook and Credit watch](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

[Financial ratios – Non-Financial Sector](#)

[Criteria for Short Term Instruments](#)

[Rating Methodology: Factoring Linkages in Ratings](#)

**About the Company**

Future Consumer Ltd. (FCL, erstwhile known as Future Consumer Enterprise Ltd.) is a part of the Future Group and operates as a food company. The company's line of business include branding, marketing, sourcing, manufacturing, and distribution of basic foods, ready to eat meals, snacks, beverages, dairy, personal hygiene and home care products of private label brands of the Future Group (such as Premium Harvest, Golden Harvest, Ektaa, Clean mate, Caremate, Tasty Treat, Fresh & Pure, Voom etc.) and other brands like Sunkist and Sach, primarily through Future group formats and outlets in urban and rural areas across India.

**Financial Performance: Standalone**

	<i>(Rs. Crore)</i>		
<i>For the period ended / as at March 31,</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
	<i>(12m, A)</i>	<i>(12m, A)</i>	<i>(12m, Abridged)</i>
<b><u>Working Results</u></b>			
Total operating income	2468.30	3048.77	3026.10

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<i>For the period ended / as at March 31,</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
	<i>(12m, A)</i>	<i>(12m, A)</i>	<i>(12m, Abridged)</i>
PBILDT	102.57	161.06	146.70*
Interest & finance costs	45.50	66.06	79.93
Depreciation	25.24	34.87	51.12
PBT	32.62	41.73	(302.16)
PAT (after deferred tax)	32.35	60.53	(305.65)
Gross cash accruals	57.86	76.60	-ve
<b><u>Financial Position</u></b>			
Equity Share Capital	1141.29	1144.29	1144.59
Net worth	1108.59	1192.22	1342.80
Total Debt	544.86	735.46	513.68
<b><u>Key Ratios</u></b>			
<i>Growth</i>			
Growth in total income (%)	47.18	23.52	-0.72
Growth in PAT (%)	315.95	87.13	-ve
<i>Profitability</i>			
PBILDT/Total Op. income (%)	4.16	5.28	4.82
PAT (after deferred tax)/ Total income (%)	1.31	1.99	-ve
<i>ROCE (%)</i>			
<i>Solvency</i>			
Long-term Debt Equity ratio (times)	0.31	0.25	0.16
Overall gearing ratio (times)	0.49	0.62	0.47
Interest coverage (times)	2.25	2.44	2.67
Term debt/ Gross cash accruals (years)	5.95	3.92	-ve
Total debt/Gross cash accruals (years)	9.42	9.60	-ve
<i>Liquidity</i>			
Current ratio (times)	2.04	1.66	2.14
Quick ratio (times)	1.63	1.36	1.92
<i>Turnover</i>			
Average collection period (days)	53	62	75
Average inventory (days)	27	27	24
Average creditors (days)	25	28	35
Operating cycle (days)	55	61	64

\*before ECL

**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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

#### **Contact us**

##### **Media Contact**

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**CARE Ratings Ltd.**

Email ID: [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

#### **Analyst Contact**

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Email ID- [sudarshan.shreenivas@careratings.com](mailto:sudarshan.shreenivas@careratings.com)

#### **Business Development Contact**

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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.

**(This follows our Brief Rationale for entity published on July 27, 2020)**

#### **Disclaimer**

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. 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. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, 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. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

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## 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 - LT/ ST-Bills discounting/ Bills purchasing	-	-	-	109.00	CARE BB/CARE A4 (Double B/A Four) (Credit watch with developing implications)
Fund-based - LT-Cash Credit	-	-	-	266.00	CARE BB (Double B) (Credit watch with developing implications)
Fund-based - ST-Term loan	-	-	-	70.00	CARE A4 (A Four) (Credit watch with developing implications)
Non-fund-based - ST-BG/LC	-	-	-	25.00	CARE A4 (A Four) (Credit watch with developing implications)
Fund-based - LT-Term Loan	-	-	Feb-25	45.50	CARE BB (Double B) (Credit watch with developing implications)
Debentures-Non Convertible Debentures (INE220J07113)	Sep-17	9.95%	Sep-20	20.00	CARE BB (Double B) (Credit watch with developing implications)
Commercial Paper	-	-	-	100.00	CARE A4 (A Four) (Credit watch with developing implications)

## 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 - LT/ ST-Bills discounting/ Bills purchasing	LT/ST	109.00	CARE BB/CARE A4 (Double B/A Four) (Credit watch with developing implications)	CARE A- / CARE A2+ (Under Credit watch with Negative Implications)	1)CARE A / CARE A1 (26-Mar-20) 2)CARE A; Stable / CARE A1 (20-Sep-19)	1)CARE A; Stable / CARE A1 (11-Feb-19) 2)CARE A; Stable / CARE A1 (03-Oct-18) 3)CARE A; Stable / CARE A1	1)CARE A; Stable / CARE A1 (04-Oct-17)

CARE Ratings Ltd.

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
							(19-Apr-18)	
2.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (03-Oct-18)	1)CARE A; Stable (04-Oct-17)
3.	Fund-based - LT-Cash Credit	LT	266.00	CARE BB (Double B) (Credit watch with developing implications)	CARE A- (Under Credit watch with Negative Implications)	1)CARE A (Under Credit watch with Negative Implications) (26-Mar-20) 2)CARE A; Stable (20-Sep-19)	1)CARE A; Stable (11-Feb-19) 2)CARE A; Stable (03-Oct-18) 3)CARE A; Stable (19-Apr-18)	1)CARE A; Stable (04-Oct-17)
4.	Fund-based - ST-Term loan	ST	70.00	CARE A4 (A Four) (Credit watch with developing implications)	CARE A2+ (Under Credit watch with Negative Implications)	1)CARE A1 (Under Credit watch with Negative Implications) (26-Mar-20) 2)CARE A1 (20-Sep-19)	1)CARE A1 (11-Feb-19) 2)CARE A1 (03-Oct-18) 3)CARE A1 (19-Apr-18)	1)CARE A1 (04-Oct-17)
5.	Non-fund-based - ST-BG/LC	ST	25.00	CARE A4 (A Four) (Credit watch with developing implications)	CARE A2+ (Under Credit watch with Negative Implications)	1)CARE A1 (Under Credit watch with Negative Implications) (26-Mar-20) 2)CARE A1 (20-Sep-19)	1)CARE A1 (11-Feb-19) 2)CARE A1 (03-Oct-18) 3)CARE A1 (19-Apr-18)	1)CARE A1 (04-Oct-17)
6.	Commercial Paper	ST	100.00	CARE A4 (A Four) (Credit watch with developing implications)	CARE A2+ (Under Credit watch with Negative Implications)	1)CARE A1 (Under Credit watch with Negative Implications) (26-Mar-20) 2)CARE A1 (20-Sep-19)	1)CARE A1 (03-Oct-18)	1)CARE A1 (04-Oct-17) 2)CARE A1 (10-Jul-17)
7.	Fund-based - LT-Term Loan	LT	45.50	CARE BB (Double B) (Credit watch with	CARE A- (Under Credit watch with	1)CARE A (Under Credit watch with	1)CARE A; Stable (11-Feb-19)	1)CARE A; Stable (04-Oct-17)

### CARE Ratings Ltd.

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
				developing implications)	Negative Implications)	Negative Implications) (26-Mar-20) 2)CARE A; Stable (20-Sep-19)	2)CARE A; Stable (03-Oct-18) 3)CARE A; Stable (19-Apr-18)	
8.	Debentures-Non Convertible Debentures	LT	20.00	CARE BB (Double B) (Credit watch with developing implications)	CARE A- (Under Credit watch with Negative Implications)	1)CARE A (Under Credit watch with Negative Implications) (26-Mar-20) 2)CARE A; Stable (20-Sep-19)	1)CARE A; Stable (03-Oct-18)	1)CARE A; Stable (04-Oct-17)

### Annexure 3 Details of Rated Facilities

#### 1. Long-term facilities

##### 1.A. Term Loan

Sr. No.	Name of the Bank	Amount (Rs crore)	Repayment Terms
1	RBL Bank Ltd.	45.50	Door to door tenor of 7 years till February 2025 with a moratorium not to exceed 12 months
	<b>Total</b>	<b>45.50*</b>	

\*o/s as on April 30, 2020

##### 1.B. Fund-based limits (Cash Credit limits)

Sr. No.	Name of Bank	Amount (Rs.crore)
1	State Bank of India	160.00
2	Kotak Mahindra Bank	10.00
3	RBL Bank	36.00
4	Yes Bank	10.00
5	HDFC Bank	25.00
6	Indusind Bank	25.00
	<b>Total</b>	<b>266.00</b>

**Total long-term facilities: Rs.301.50 crore**

#### 2. Short-term facilities

##### 2.A. Rupee term loans

Sr. No.	Name of Bank	Rated Amount (Rs. Crore)	Remarks
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CARE Ratings Ltd.

1.	Yes Bank	20.00	Sanctioned
2.	Cooperative Rabobank U.A.	50.00	Sanctioned
	<b>Total</b>	<b>70.00</b>	

**2.B. Non-fund-based limits (LC/BG\*)**

Sr. No.	Name of Bank	Amount (Rs. crore)
1	State Bank of India	25.00
	<b>Total</b>	<b>25.00</b>

\*LC=Letter of credit; BG=Bank guarantee

**Total short-term facilities: Rs.95.00 crore**

**3. Long /Short-term Facilities (Bill Discounting)**

Sr. No.	Name of Bank	Amount (Rs. Crore)
1	Kotak Mahindra Bank	35.00
2	RBL Bank	54.00
3	Indusind Bank	20.00
	<b>Total</b>	<b>109.00</b>

**Total short-term/long-term facilities: Rs.109.00 crore**

CARE Ratings Ltd.