



JKTIL:SECTL:SE:2020

29th June 2020

BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001. Through: BSE Listing Centre Scrip Code :530007	National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block- G, Bandra -Kurla Complex, Bandra(E), Mumbai -400 051. Through : NEAPS Scrip Code : JKTYRE
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Dear Sir,

Re : **Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Credit Ratings**

This is to inform that India Ratings & Research Pvt. Ltd. (India Ratings) has revised the following ratings to various facilities of the Company:-

Facilities	Rating	Rating Action
Long-term loans	IND A-/Negative	Revised from IND A/Negative
Proposed Long-term loans *	Provisional IND A-/Negative	Assigned
Fund-based and non-fund based limits	IND A-/Negative/ IND A2+	Revised from IND A/Negative/ IND A1
Proposed Fund-based and non-fund based limits *	Provisional IND A-/Negative/ Provisional IND A2+	Assigned
Term deposit	IND tA/Negative	Revised from IND tA+/Negative

*The ratings are provisional and shall be confirmed upon the sanction and execution of loan documents to the satisfaction of Ind-Ra.

The downgrade reflects Company's lower-than-expected operating performance leading to the net leverage (net debt/EBITDA) at a level in FY 20, which is higher than Ind-Ra's negative rating sensitivity of 3.5x. The Negative Outlook reflects Ind-Ra's expectation of the net leverage remaining above the negative rating sensitivity in FY21 as well on account of COVID-19-related demand and supply disruptions.



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Regd. Off.: Jaykaygram, PO – Tyre Factory, Kankroli -313342 (Rajasthan). Fax : 02952-302400 / 330011
Website :- www.jktyre.com CIN : L67120RJ1951PLC045966





However, in order to tide over the cost pressure due to slowdown which got further aggravated by COVID-19, the Company has taken several steps to improve revenue and profitability such as (a) cost reduction measures which will result in cost savings by rationalisation of employee costs, advertising spend and other overheads; (b) the measures taken to increase the presence in the replacement market; (c) thrust on export market sales; (d) premiumisation of 2W/3W tyre portfolio; (e) new models added for passenger vehicle tyres; and (f) initiatives taken for entry into the smart tyre segment; (g) rationalisation of product portfolio; (h) to draw benefits of economies of scale in raw material purchase, etc.

All these steps will definitely help in improving the profitability and thereby the leverage position.

Thanking You,

Yours' faithfully,
For JK Tyre & Industries Ltd.

(P K RUSTAGI)
Vice President (Legal) & Company Secretary



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