



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
18 May, 2018

M/s. Bombay Stock Exchange Ltd.
Corporate Relationship Department
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 credit rating agency ICRA Limited (ICRA) has revised the long-term scale rating on the working capital credit facilities enjoyed by the Company from its bankers on consortium basis to [ICRA]BBB- (pronounced as ICRA triple B minus) [signifying a moderate degree of safety regarding timely servicing of financial obligations and carrying moderate credit risk]. The outlook on the long term scale rating is Stable. ICRA has also revised the short-term scale rating on the aforementioned facilities to [ICRA]A3 (pronounced as ICRA A three) [signifying a moderate degree of safety regarding timely servicing of financial obligations and carrying higher credit risk as compared to instruments/ facilities rated in the higher categories].

ICRA has revised the ratings primarily factoring in the weakening of the Company's profitability and cash accrual for the nine months' period ended 31st December, 2017 vis-a-vis the corresponding nine months' period of the previous financial year, notwithstanding the improved turnover and profitability during the third quarter ended 31st December, 2017 as compared to the previous two quarters, as well as the continuing weak performance of the Building Material Segment, which, in the opinion of ICRA, is likely to keep the Company's overall profitability and cash flows under pressure in the near to medium term, given its substantial debt-servicing obligation due to setting up of the division. The ratings, however, continue to factor in the Company's proven track record in the Engineering/Material Handling Equipment as well as the Geared Motors/ Gear Boxes segments and its technological tie-ups with leading global players which enhance the Company's competitive position. The ratings also reflect the Company's conservative capital structure and financial flexibility derived from moderate utilisation of working capital limits, a sizeable portfolio of liquid investments and income thereon which provide an additional liquidity back-up.

Thanking You,
Yours faithfully,
For International Combustion (India) Limited
S. C. Saha
S. C. Saha
Company Secretary