

**RICO AUTO INDUSTRIES LIMITED**

REGD. & CORP. OFFICE : 38 K.M. STONE, DELHI-JAIPUR HIGHWAY, GURUGRAM -122001, HARYANA (INDIA)
EMAIL : rico@ricoauto.in WEBSITE : www.ricoauto.in TEL.: +91 124 2824000 FAX : +91 124 2824200
CIN : L34300HR1983PLC023187

RAIL:SEC:2018

August 28, 2018

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001 Scrip Code - 520008	National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No.C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai - 400051 Scrip Code - RICOAUTO
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Sub : **Credit Rating**

Dear Sir/Madam,

This is to inform you that India Ratings and Research Pvt. Ltd. – the Credit Rating Agency, has upgraded the credit ratings vide its letter dated 24th August, 2018 for the Term Loan and other credit facilities. The copy of letter dated 24th August, 2018 issued by India Ratings and Research Pvt. Ltd. is enclosed.

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,
for **Rico Auto Industries Limited**


B.M. Jhamb
Company Secretary
FCS : 2446

Encl : As above

Mr. Rakesh Kumar Sharma
Chief Financial Officer
Rico Auto Industries Limited
38KM Stone, Delhi-Jaipur Highway,
Gurgaon 122001, Haryana, India

August 24, 2018

Kind Attn: Mr. Rakesh Kumar Sharma, Chief Financial Officer

Dear Sir,

Re: Bank Loan Ratings of Rico Auto Industries Limited

India Ratings and Research (Ind-Ra) has upgraded Rico Auto Industries Limited's (Rico) Long-Term Issuer Rating to 'IND A' from 'IND A-'. The Outlook is Stable. The instrument-wise rating actions are as follows:

Instrument Type	Size of Issue (million)	Rating/Outlook	Rating Action
Term loan	INR1,164.6 (increased from INR691.9)	IND A/Stable	Upgraded
Fund- and non-fund based working capital credit limits	INR1,800	IND A/Stable/IND A1	Long-term rating upgraded; Short-term rating affirmed
Non-fund based working capital credit limits	INR350	IND A/Stable/IND A1	Long-term rating upgraded; Short-term rating affirmed
Term loan/letter of credit	INR673.6 (reduced from INR1200)	IND A/Stable	Upgraded
Proposed term loan/letter of credit*	INR1,100	Provisional IND A/Stable	Assigned

* The rating is provisional and shall be confirmed upon the sanction and execution of the loan documents for the above facility by Rico to the satisfaction of Ind-Ra.

Details of Bank wise Facilities are mentioned in the Annexure

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the



availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings's ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in a India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings's ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.



In this letter, “**India Ratings**” means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact the undersigned at 022 4000 1700.

Sincerely,

India Ratings



Devendra Kumar Pant
Senior Director



Sunil Kumar Sinha
Director

**Annexure: Details of Bank Loan Facilities
(Amount Outstanding as on 30 June 2018)**

Term Loan Facilities		
Line	Rating	(INR million)
Yes Bank Limited	IND A/Stable	681.2
Kotak Mahindra Bank Limited	IND A/Stable	322.2
RBI Bank	IND A/Stable	161.2
Total Term Loan		1164.6

Source: Rico

Working Capital Facilities		
Line	Rating	Sanctioned (INR million)
Fund and non-fund based working capital limits		
Kotak Mahindra Bank Limited	IND A/Stable /IND A1	600.0
Yes Bank Limited	IND A/Stable /IND A1	400.0
State Bank of India	IND A/Stable /IND A1	500.0
RBI Bank	IND A/Stable /IND A1	300.0
Fund and non-fund based working capital limits		1,800.0
Non-fund-based working capital limits		
IndusInd Bank Limited	IND A/Stable /IND A1	350.0
Total Non-fund based working capital limits		350.0

Source: Rico

Term Loan / Letter of Credit		
Line	Rating	Sanctioned (INR million)
Yes Bank	IND A/Stable	673.6
Proposed Term Loan / Letter of Credit	Provisional IND A/Stable	1100.0
Total Term Loan / Letter of Credit		1773.6

Source: Rico

Debant