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TRIDENT/CS/2021
March 26, 2021

The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (E) Mumbai - 400 051	The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001
Scrip Code:- TRIDENT	Scrip Code:- 521064

Dear Sir/Madam

Sub: Credit Rating of Trident Limited

Pursuant to Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to inform you that Credit Ratings of the bank facilities have been upgraded/ reaffirmed by CARE Ratings Limited ('CARE') as under:

Facilities	**Amount (INR Cr.)**	**Rating**	**Remark**
Long term Bank Facilities	690.76 (Reduced from 1,812.92)	CARE AA ;Stable (Double A; Outlook:Stable)	Revised from CARE AA-; Stable (Double A Minus; Outlook: Stable)
Long term/ Short term Bank Facilities	1,590.00 (Enhanced from 1,500.00)	CARE AA; Stable / CARE A1+ (Double A; Outlook: Stable/ A One Plus)	Revised from CARE AA-; Stable / CARE A1+ (Double A Minus; Outlook: Stable / A One Plus)
Short term Bank Facilities	200.00 (same as previous)	CARE A1+ (A One Plus)	Reaffirmed
Total Facilities	**2480.76/-**		

A copy of the formal rating rationale issued by CARE is enclosed herewith.

This is for your reference & record please.
Thanking you,

Yours faithfully,
For **Trident Limited**

RAMANDEEP KAUR
Digitally signed by RAMANDEEP KAUR
Date: 2021.03.26 13:05:30 +05'30'

(Ramandeep Kaur)
Company Secretary
ICSI Membership No.: F9160

Encl: as above

26/03/2021 TL/2021/007611

Trident Limited

March 18, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	690.76 (Reduced from 1,812.92)	CARE AA; Stable (Double A; Outlook: Stable)	Revised from CARE AA-; Stable (Double A Minus; Outlook: Stable)
Long Term / Short Term Bank Facilities	1,590.00 (Enhanced from 1,500.00)	CARE AA; Stable / CARE A1+ (Double A; Outlook: Stable/ A One Plus)	Revised from CARE AA-; Stable / CARE A1+ (Double A Minus; Outlook: Stable / A One Plus)
Short Term Bank Facilities	200.00	CARE A1+ (A One Plus)	Reaffirmed
Total Bank Facilities	**2,480.76 (Rs. Two Thousand Four Hundred Eighty Crore and Seventy-Six Lakhs Only)**		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The revision in the ratings assigned to the bank facilities of Trident Limited (Trident) takes into account the significant balance sheet deleveraging achieved through prepayment of debt by the company during 9MFY21 (refers to the period April 1, 2020 to December 31, 2020), resulting in strengthening of the company's debt service metrics, and a steady uptick witnessed in the capacity utilization and revenues derived from the home textiles segment of the company during this period, subsequent to the lifting of the COVID-19 induced lockdown restrictions. The revision in the ratings also factor in the company's efficient working capital management, improved cash flow from operations and strong liquidity. The ratings continue to derive strength from the company's experienced management, its diversified and integrated nature of operations and established client relationship with approved supplier status for large global retailers and continuous support availed in the form of fiscal incentives mainly in the textile segment. These rating strengths, however, are partially offset by the working capital-intensive operations, susceptibility of profitability margins to exchange rate movements and volatility in prices of its commodity raw material, primarily cotton. The ratings also factor in the risks associated with the cyclical, fragmented and competitive nature of the textile and paper industries.

Trident sought moratorium for the debt servicing of its term loan for the month of March 2020, as a part of the COVID-19 - Regulatory Package announced by the RBI on March 27, 2020. However, the deferred payments were subsequently cleared by the company. CARE has not recognized this instance as a default, as the same is permitted by the RBI as part of the relief measures announced recently. The non-recognition of default in this case is as per the guidance provided by the SEBI circular SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/ 53 dated March 30, 2020.

Key Rating Sensitivities:

Positive factors: *Factors that could lead to positive rating action/upgrade*:

- Ability of the company to improve the realizations from the home textiles segment while maintaining PBILDT margins of over 25% and ROCE of above 18% on a sustained basis going forward.
- Ability of the company to diversify the customer base by tapping newer geographies other than USA and Europe by customizing its product offerings to entail higher margins.
- Ability of the company to improve its capacity utilization levels in the bath linen segment to increase the total operating income annually by more than 20% on a sustained basis going forward.

Negative factors: *Factors that could lead to negative rating action/downgrade:*

- Lower than envisaged recovery of the profitability margins derived from the paper segment leading to decline in the overall EBITDA margins of the company to less than 18% on a sustained basis going forward.
- Any sizeable time and cost overruns in the planned capex and further capex to be undertaken by the company adversely impacting its capital structure with overall gearing of more than 0.5x and total debt/PBILDT of more than 2x on a sustained basis going forward.
- Any elongation in the inventory period leading to operating cycle stretching beyond 130 days on a sustained basis going forward.

Detailed description of the key rating drivers

Key rating strengths

Experienced promoters and management team

Trident is promoted by Mr. Rajinder Gupta who is its founder and Non-Executive Co-Chairman, with a business experience of over 3 decades. He was conferred the prestigious *Padma Shri* award in 2007, in recognition of his distinguished services in the field of trade and industry. He is also the Vice Chairman of the Punjab State Planning Board. The current managing director of the company, Mr. Deepak Nanda is an IIM Ahmedabad graduate and holds a Master of Science in Computer Software and Management with over ten years of experience in working with different State Governments, PSUs, boards and corporations, and educational institutions. The board of directors also includes Ms. Pallavi Shroff (partner in Amarchand & Mangaldas & Suresh A Shroff & Co), Mr. Rajiv Dewan (a chartered accountant) and Mr. Dinesh Kumar Mittal [former IAS officer with earlier positions on the Board of the RBI, LIC, State Bank of India, IIFCL and IIFCL (UK)]. Mr. Abhishek Gupta, son of Mr. Rajinder Gupta, the Chief of Strategic Marketing, holds a degree in International Marketing from Harvard Business School. He spearheaded the branding initiatives of copier paper business. He was honoured with the ASSOCHAM Leadership Award (CEO) in 2016. The operations of the company are managed by well qualified and experienced senior management team.

Comfortable financial risk profile characterized by prepayment of high cost debt

Trident has been making substantial prepayments of its higher cost bearing term debt (loans not covered under Technology Upgradation Fund Scheme (TUFS) on a year on year basis leading to improvement in its solvency indicators. During 9MFY21 (UA), the company has repaid Rs. 870 crore of term debt against the scheduled debt repayment obligation of around Rs. 300 crore during the period. The Rs. 570 crore prepayment of term loans not covered under TUFS was made out of the internal accruals generated, liquidation of existing cash and bank balances and stake sale in one of its associate companies.

The capital structure of the company, therefore, improved during FY20 on account of the scheduled repayment of the term loan along with accretion of profits to reserves. The capital structure further stood improved during 9MFY21 with the prepayment of the term debt. The long term debt to equity ratio and overall gearing ratio stood at 0.37x and 0.68x respectively as on March 31, 2020 as compared to 0.45x and 0.84x respectively as on March 31, 2019. The ratios further improved to 0.11x and 0.34x as on December 31, 2020. The debt coverage indicators of the company also remained comfortable. The total debt to GCA improved to 1.61x as on December 31, 2020 from 3.09x as on March 31, 2020 (PY: 3.08x) on account of the reduced debt outstanding and cash accrual generation. In addition to the prepayment of high cost debt and availing fiscal benefits on the interest cost, the company has also been to avail raise fresh debt in form of non-convertible debentures (NCDs) and commercial papers (CPs) at competitive rates. The lower interest expenses also led to an improvement in the interest coverage ratio to 5.13x during FY20 as against 4.89x during FY19, which further improved significantly to 12.11x during 9MFY21.

Improvement in the operational performance marked by uptick in capacity utilizations levels during 9MFY21

During FY20, the company witnessed a decline in the total operating income of around 11% to Rs. 4822.98 crore from Rs. 5406.39 crore during FY19, whereby the revenue from the home textiles segment fell by around 4% and that from the paper segment fell by around 2%. The decline in the textile segment was mainly on account of the lower capacity utilization levels for bath and bed linen which was adversely impacted by the end of year impact of COVID-19 induced lockdown in foreign countries in January and February 2020 followed by domestic lockdown in March 2020. The PBILDT margins of Trident declined to 19.30% during FY20 as against 21.06% in FY19. This was majorly due to the loss of revenues due to imposition of lockdown restrictions coupled with the fixed costs still being incurred leading to decline in profitability. This was also attributed in part to the reversal of Merchandise Exports from India (MEIS) benefit, subsequent to notification from the Ministry of Textiles, of

Rs. 48.68 crore pertaining to period March 2019 to September 2019. The PAT margins of the company, however, grew to 7.09% during FY20 from 6.86% in FY19, aided by lower depreciation and interest expenses.
During 9MFY21, the total operating income of the company stood 15% lower at Rs. 3182.69 crore as compared to Rs. 3726.69 crore during 9MFY20. The decline was mainly on account of the subdued Q1FY21 (refers to the period from April 1 to June 30) with complete suspension of production activities. However, with the relaxations in the restrictions on the production activities and logistics, stabilization of supply chain during Q2FY21 and Q3FY21 and with the demand revival along with the pent-up demand across various sectors due to unlocking of economy in phased manner, the company witnessed higher capacity utilization in the home textiles segment. The total revenues of the company increased substantially, primarily led by a sharp spurt in the revenue of the home textiles segment, which grew by around 12% quarter-on-quarter (q-o-q) and around 30% on a year-on-year (y-o-y) basis to Rs. 1,107.77 crore during Q3FY21. This was also aided by high demand from the big retailers selling essentials, who have seen their inventory pipeline running dry due to huge demand build-up on account of Covid-19 pandemic. In addition to this, people being more conscious towards health and hygiene and increasingly working from home, spent more on home improvement products. The PBILDT margin of the company moderated slightly to 18.50% during 9MFY21 as compared to 19.14% during the same period last year. The decline was majorly owing to the muted production operations and demand during Q1FY21, whereby the volumes and realizations in the higher yielding paper segment continued to be subdued post lifting of lockdown restrictions on account of continued shutdown of educational institutions and increased adoption of work from home. The decline in the margins and revenues in the paper segment, however, was offset by the revival in the demand in the home textiles segment, which registered significant improvement in the EBIT margins during Q3FY21 in both bed and bath linen product segments (mostly exported) with fully integrated in-house manufacturing and increased contribution from the sales from final bed sheets sets instead of grey fabrics.

Diversified and integrated operations
Trident's operations are diversified across two divisions, Textiles and Paper & Chemicals. The textile division contributed around 81% of the total revenue of the company in FY20 and around 84% during 9MFY21. This further comprises of various types of cotton yarn [around 26% of the total revenue in FY20 and around 18% in 9MFY21] and home textiles [around 55% of the total revenue in FY19 and around 66% in 9MFY21]. The home textiles division in turn comprises of bed linen [around 12% of the total revenue in FY20 and around 20% in 9MFY21] and bath linen [around 43% of the total revenue in FY20 and around 46% in 9MFY21], thereby reducing its dependence on a single product line. A significant portion of the yarn requirement of the home textiles division is being met in-house while all weaving and processing is also done in-house. Further, the company manufactures various kinds of agro materials-based paper including branded copier. Trident is one of the world's largest wheat straw-based paper producers with a production capacity of 175,000 tonnes per annum. The segment formed around 19% of the total revenue in FY20 and around 16% of the total revenue in 9MFY21. With agro-based products being the main raw material for this segment, the company benefits from the location of its paper plant in the agricultural belt of Punjab. The raw material is therefore abundantly available and the company is able to lower logistics cost. This also makes the paper segment the highest contributor to Trident's profitability with around 51% contribution to the PBIT for FY20, despite accounting for only around 20% of revenue being derived from this segment. The company also manufactures commercial and battery grade sulphuric acid, while the majority of the power requirements for the Punjab-based manufacturing units are met through the co-generation plant.

Established relationships with large global retail and institutional brands
Trident has an established presence in both the domestic and export markets. It derived around 56% of the total revenue in FY20 (PY: around 57%) through exports. India occupies the largest market share in the total US home textile imports both in bath and bed linen, whereby a greater preference is being witnessed recently towards the Indian home textile suppliers in line with the diversification of sourcing plans of key players in the US and European markets. With Trident being the second largest exporter from India in home textiles segment, it has an established presence in around 100 countries across the globe and caters to 36 countries in the yarn segment and 33 countries in the home textiles segment. It has developed strong relationships with clients comprising of various global retail and institutional brands. Further, under the paper segment also, Trident has presence in 54 countries across the world. In this segment, however, the company derives majority revenue from the copier paper under its own well-established brand names.

Strong liquidity

Trident's liquidity profile is strong, marked by free cash and cash equivalents of Rs. 319.03 crore as on March 31, 2020 (PY: Rs. 77.98 crore) and Rs. 59.09 crore as on December 31, 2020. During 9MFY21, the company has utilized the available resources to reduce its debt levels with the overall gearing improving to 0.34x as on December 31, 2020. This was primarily due to a substantial prepayment of high-cost term debt amounting to Rs. 570 crore along with the scheduled debt repayment obligation of Rs. 300 crore. While the company has planned a phased capital expenditure (capex), it is projected to generate sufficient cash accruals, providing adequate headroom for the additional debt being raised. Besides, the company is expected to continue to have a strong capital structure with the future capex plans being modular in nature without adversely impacting the leverage profile, which will remain a key rating monitorable.

Key Rating Weaknesses

Working capital intensive nature of operations

The company's operations remain working capital intensive primarily on account of its significant inventory holding requirements, besides shorter credit periods availed from the suppliers. The primary raw materials for the company – cotton and agro residues – both remain seasonal in nature and the company procures primarily in bulk on small credit periods to avail discounts. During FY20, the operating cycle of the company stood at 118 days as compared to 115 days during FY19, whereby on account of the COVID-19 induced lockdown and subsequent restrictions being placed on the logistics, the despatches and deliveries of the finished goods were delayed, further leading to increase in the inventory holding period. The company usually sells on cash or extends small credit periods in the paper and yarn segments, while, in the domestic home textile segment; the average credit period is of around a month. During FY20, in order to reduce the cash realization cycle from its debtors, the company has initiated several measures including availing facility of non-recourse discounting of its receivables from its export customers and providing channel finance facility to its domestic customer base to receive payments from them in lesser time. This led to faster collection for the company, leading to reduced collection period at 38 days during FY20 as compared to 41 days during FY19. The company supports its working capital operations through the fund-based limits sanctioned from the banks totalling Rs. 1790 crore (including CC limits of Rs. 1590 crore and LC/BG limits of Rs. 200 cr). The utilization of the fund-based limits stood at around 76% at a maximum level and around 70% at the average level for the last 12 months ending February 2021. To meet short term requirements, the company has also carved out commercial papers from its working capital limits from time to time. Furthermore, Trident had availed moratorium for the repayments on the long-term debt for the period of March 2020, which was subsequently cleared off by the company during Q1FY21.

Susceptibility to material price volatility

Material costs formed around 45% of the total income of Trident during FY20. These include cotton (around 71% of the total material costs), agro based raw materials (around 8%), outside yarn (around 7%), dyes and chemicals (around 13%) and other consumable stores. Trident derives majority of its revenue from the textile segment where the primary raw material for the company remains cotton. Cotton prices are volatile in nature driven by various factors like, area under cultivation, yield for the year, government regulation and pricing. Trident stocks cotton during the peak availability season viz. September to March which exposes the profitability margins of the company to volatility in raw material prices. The company's presence in the value-added segments like bed and bath linen have allowed it to pass on raw material costs to the customers to some extent. However, the overall demand scenario, inventory holding policies, competition etc. determines the ability of spinners to pass on cotton prices in the yarn prices. Further, global demand for home textiles determines the extent to which raw material prices can be passed on to the customers.

In the paper segment, the company primarily uses agro based materials like wheat straw (around 85-90%) while the remaining is wood pulp. The agro-based materials formed around 4% of the total income and around 8% of the material costs during FY20. The availability of these materials is also seasonal in nature and dependent on factors like monsoon, government regulations, area under cultivation, crop yields etc.

Foreign exchange fluctuation risk

Trident reported around 56% of the total revenue in FY20 (PY: around 57%) through exports. The primary currency of dealing is the US dollar along with euro, pound sterling, and Swiss franc. In the absence of any imports, the company does not enjoy a natural hedge. For hedging export receivables, forward covers are taken for a maturity up to 6-12 months. In the paper and yarn segment, where exports are limited, the company hedges on an order-to-order basis using plain forward contracts as soon as the order is confirmed. In the home textiles division, which is the major contributor to the exports, it hedges around 40-60% of its sales orders on a monthly rolling basis. During FY20, the company has accounted forex gain of Rs. 19.19 crore while it has booked net loss of Rs. 66.55 crore (notional) due to foreign exchange fluctuations during FY19.

Cyclical and fragmented industry

The Indian textile industry is inherently cyclical in nature. Any adverse changes in the global economic outlook as well as demand-supply scenario in the domestic market directly impacts demand of players like Trident. Textile industry as a whole remains vulnerable to various factors such as fluctuations in prices of inputs, mobilization of adequate workforce and changes in government policies for overall development of the textile industry marked by highly fragmented structure having high level of competition and intense pricing pressures. The risk is partly mitigated to a large extent as Trident has diversified operations as well as an established presence. Apart from that, Trident derives majority of its sales from export market which is insulated from vagaries of domestic market to large extent.

The global home textile market is mainly driven by demand from USA and Europe. This demand is catered to by countries like China, India, Pakistan and Bangladesh. The Indian export home textile market is dominated by few large players. The demand in the market is governed by the rise in disposable income of the households and improvement in the living standard across the export geographies. These organized and larger players mainly cater to export demand from large global retailers and face competition from countries like China, Pakistan, Vietnam, etc. While the domestic market has a limited number of established players, Trident faces competition from players of other geographies as well.

The paper industry is highly fragmented in nature with stiff competition from large number of organized as well as unorganized players and threat from imports. This limits the pricing power of the manufacturers in terms of flexibility to pass on the raw material price fluctuation to its customers. Further, it is inherently cyclical, with the demand for paper is directly correlated to the level of economic activity, as higher industrial output leads to increased demand for industrial paper for packaging; increased marketing spend benefits the newsprint and value-added segments; and greater education and office activities raises the demand for Writing and Printing Paper.

Industry Outlook

The cotton yarn production which declined sharply on a y-o-y basis during the period April-June 2020 due to Covid-19 induced lockdown witnessed an improvement in the following months as the pace of fall narrowed down and saw its production increase during September-November 2020 backed by easing of lockdown restrictions and a traction in demand from cotton yarn export market. The recovery in cotton yarn exports was faster compared to its production as outbound shipments increased y-o-y in each of the months during April-October 2020. The rise in cotton yarn exports was mainly driven by a surge in outbound shipments to Bangladesh backed by duty draw back incentive in Bangladesh.

Indian home furnishings comprise of bedspreads, furnishing fabrics, curtains, rugs, durries, carpets, placemats, cushion covers, table covers, linen, kitchen accessories, made-ups, bed spreads, bath linen and other home furnishings accessories. The demand in the home textile market is governed by the rise in disposable income of the households and improvement in the living standards. On the global level, United States and Europe are the two major markets in the segment; with India, China, Turkey, Pakistan and Bangladesh being the major suppliers. In the U.S., over the years, India has been able to gain significant share in the home textile trade. In the Europe Union, which is an equally large market, the Indian suppliers are at a disadvantage compared to their peers owing to unfavourable duty structures.

While the global demand for paperboard has increased marginally, the Writing and Printing Paper (WPP) and the newsprint segments have actually witnessed de-growth primarily on account of increased preference towards paperless economy and higher penetration of the digital media. The paper & paper products' domestic industry sales remained subdued during FY20 mainly due to low prices and high imports. The production of paper & paper products industry was affected during Q1FY21 as the industry operations were shut in the initial phase of lockdown. Closure of education institutions, adoption of work from home by offices, muted demand for printing of newspapers among others disturbed the consumption of paper & paper products thus affecting industry sales. Moreover, subdued consumption also had an impact on prices of paper & paper products which further affected the revenues of industry. With various unlock guidelines announced by the government, more employees are expected to resume work from offices, though in a graded way, which is likely to augur well for paper segments that are used in offices like printing and writing paper.

Analytical approach – Standalone

Applicable Criteria
Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings
CARE's Policy on Default Recognition
Financial Ratios - Non-Financial Sector
Liquidity Analysis of Non-Financial Sector Analysis
Rating Methodology - Manufacturing Companies
Criteria for Short Term Instruments
Rating Methodology for Cotton Textile Manufacturing

About the company
Incorporated in 1990, Trident is the flagship company of the 'Trident Group'. Trident's business activities can be classified into two segments, viz Textiles having Yarn, Bath Linen and Bed Linen division and Paper & Chemical Divisions. The company is the one of the world's largest manufacturers of terry towels. The company has its manufacturing facilities located at Barnala (Punjab) and Budni (Madhya Pradesh). The company had an installed capacity of 542,448 spindles and 6,464 rotors producing 115,200 metric tonnes per annum (MTPA) of yarn, 672 looms for terry towels producing 90,000 MTPA, 500 looms for bed sheet producing 43.2 million metres per annum, 175,000 MTPA of paper and 100,000 MTPA of sulphuric acid along with a captive power plant of 49.4 megawatt (MW) as on December 31, 2020.

Brief Financials (Rs. cr.)	FY19 (A)	FY 20 (A)
Total operating income	5,406.39	4,822.98
PBILDT	1138.38	930.62
PAT	370.92	341.80
Overall gearing (times)	0.84	0.68
Interest coverage (times)	4.89	5.13

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: *Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3*

Complexity level of various instruments rated for this company: Annexure 4

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-Term Loan	-	7.75%	September 2023	345.38	CARE AA; Stable
Non-fund-based - ST-BG/LC	-	-	-	200.00	CARE A1+
Fund-based - LT/ ST-CC/PC/Bill Discounting	-	-	-	1590.00	CARE AA; Stable / CARE A1+
Term Loan-Long Term	-	-	-	345.38	CARE AA; Stable

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-Term Loan	LT	345.38	CARE AA; Stable	1)CARE AA-; Stable (03-Apr-20)	-	1)CARE AA-; Stable (14-Dec-18) 2)CARE AA-; Stable (05-Dec-18)	1)CARE AA-; Stable (12-Oct-17)
2.	Non-fund-based - ST-BG/LC	ST	200.00	CARE A1+	1)CARE A1+ (03-Apr-20)	-	1)CARE A1+ (14-Dec-18) 2)CARE A1+ (05-Dec-18)	1)CARE A1+ (12-Oct-17)
3.	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ST	1590.00	CARE AA; Stable / CARE A1+	1)CARE AA-; Stable / CARE A1+ (03-Apr-20)	-	1)CARE AA-; Stable / CARE A1+ (14-Dec-18) 2)CARE AA-; Stable / CARE A1+ (05-Dec-18)	1)CARE AA-; Stable / CARE A1+ (12-Oct-17)
4.	Term Loan-Long Term	LT	345.38	CARE AA; Stable	1)CARE AA-; Stable (03-Apr-20)	-	1)CARE AA-; Stable (14-Dec-18) 2)CARE AA-; Stable (05-Dec-18)	1)CARE AA-; Stable (12-Oct-17)

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities:

Name of the Instrument	Detailed explanation
A. Financial covenants	
Term loan and working capital limits	Non-submission/delayed submission of stock statements, financial follow up reports, audited balance sheets, review/renewal data etc. will attract penal charges
B. Non-financial covenants	
Term loan and working capital limits	Any change where the stake of existing promoters/controlling stake gets diluted below current level will attract penal charges

Annexure 4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple
2.	Fund-based - LT/ ST-CC/PC/Bill Discounting	Simple
3.	Non-fund-based - ST-BG/LC	Simple
4.	Term Loan-Long Term	Simple

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. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*