

KIL/SH/SE/Ratings/SS/2016

08.01.2016

National Stock Exchange of India Ltd.
Plot No. C/1, G Block,
Exchange Plaza,
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051

Dear Sirs,

In Compliance of Clause 30 read with Clause 3 of Para A of Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that there is no change in the credit rating for Bank facilities aggregating Rs. 4,369.64 crores as issued by the CARE Ratings. A letter issued by the said Agency under reference no. CARE/KRO/RL/2015-16/1625 dated January 04, 2016 is enclosed herewith for your reference and record.

Thanking you,

Yours faithfully,
For KESORAM INDUSTRIES LTD.


Suresh Sharma
(Authorised Signatory)

Encl: as above.

KIL>Sh Dept>All Sec>KIL -CARE rating16

No.CARE/KRO/RL/2015-16/1625

Shri T.K. Das
Chief Financial Officer
Kesoram Industries Limited
Birla Building (8th Floor)
9/1, R.N. Mukherjee Road
Kolkata – 700 001

January 04, 2016

Confidential

Dear Sir,

Credit rating for bank facilities aggregating Rs.4,369.64 crore

On a review of recent developments including operational and financial performance of your company for FY15 and H1FY16 and signing of binding term sheet with JK Tyre to divest Cavendish Industries Ltd (99% subsidiary of KIL having a tyre unit of Laksar) for a consideration of Rs.2,195 crores and the possible impact of the same on the credit profile of your company, our Rating Committee has reviewed the following ratings:

Facilities	Amount (Rs. Crore)	Ratings ¹	Remarks
Long-term Bank Facilities	2,469.64	CARE A- (Single A minus) Credit Watch	Continues under credit watch
Short-term Bank Facilities	600.00	CARE A2+ (A Two plus) Credit Watch	
Long/Short-term Bank Facilities	1,300.00	CARE A-(Single A minus)/ CARE A2+ (A Two plus) Credit Watch	
Total	4,369.64 (Rupees Four Thousand Three Hundred Sixty Nine crore and Sixty Four Lakh only)		

- Refer Annexure 1 for details of rated facilities
- CARE will take a view on the ratings once the exact implications of the above on the credit risk profile of the company are clear.
- The rationale for the aforesaid ratings will be communicated to you separately.
- CARE reserves the right to undertake a surveillance/review of the rating from time to time,

¹ Complete definitions of the ratings assigned are available at www.careratings.com and other CARE publications





CREDIT ANALYSIS & RESEARCH LTD.

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CIN-L67190MH1993PLC071691

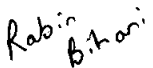
based on circumstances warranting such review, subject to at least one such review/surveillance every year.

6. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension / withdrawal / revision in the assigned rating in any manner considered appropriate by it, without reference to you.
7. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
9. CARE ratings are **not** recommendations to sanction, renew, disburse or recall the concerned bank facilities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,


(Rabin Bihani)
Deputy Manager
rabin.bihani@careratings.com


(Vineet Chamaria)
Manager
vineet.chamaria@careratings.com

Encl : As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings 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.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating 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.

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Annexure 1
Details of Rated Facilities

1. Long-term facilities

Term Loans

No	Name of the Bank	Amount (Rs. crore)	Repayment Terms
1	Punjab National Bank	72.50	2 Quarterly installments of Rs. 16.25 crore each from Dec'15 to Mar'2016 and 4 installments of Rs. 10 crore from Jun'2016 to Mar'2017.
2	ICICI Bank	180.00	12 equal quarterly installments commencing from Feb'2016.
3	Bank of Baroda	60.00	1 annual installment of Rs. 60 crores each in Mar'16.
4	SBI	166.64	3 Quarterly installments of Rs. 41.67 crores each from Feb'2016 and 1 installment of Rs. 41.63 crores in Nov'2016.
5	South Indian Bank	95.50	26 structured quarterly installments from Sep'15.
6	South Indian Bank	150.00	Repayment in 20 equal quarterly installments commencing from Jan'17.
7	South Indian Bank	44.00	23 structured quarterly installments from Sep'15.
8	South Indian Bank	91.00	22 structured quarterly installments from Dec'15.
9	Indusind Bank	210.00	Repayment in 16 equal quarterly installments starting from May'16.
10	Indusind Bank	400.00	12 equal quarterly installments starting from Sep'16.
11	Axis Bank	400.00	Repayable in 12 quarterly installments - 10 Installments of Rs. 33 crores each and balance 2 installments of Rs. 35 crores each starting from Nov'16.
12	Indusind Bank	125.00	Bullet Repayment in Feb'17.
13	Indusind Bank	225.00	Bullet Repayment in Dec'16
14	Yes Bank	250.00	Repayment in 12 equal quarterly installments starting from Oct'16.
	Total	2,469.64	

2. Short-term facilities

Non fund based limits - Bank Guarantee / Letter of Credit / Buyer's Credit

No.	Name of the Bank	Amount (Rs. Crore)	Remarks
1	SBI	350.00	Sanctioned & tied up
2	PNB	40.00	
3	HDFC Bank	15.00	
4	SCB	30.00	
5	Axis Bank	5.00	
6	ICICI Bank	101.00	
7	Indusind Bank	5.00	
8	Yes Bank	44.00	
9	ING Vyasa Bank	10.00	
	Sub-total	600.00	

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3. Long-term/ Short-term facilities

Fund based – Cash credit/Export packing credit/Packing credit in foreign currency

No.	Name of the Bank	Amount (Rs. Crore)	Remarks
1	SBI	575.00	Sanctioned & tied-up
2	HDFC Bank	130.00	
3	ING Vysya Bank	60.00	
4	State Bank of Hyderabad	30.00	
5	DBS	15.00	
6	SCB	50.00	
7	Bank of Baroda	50.00	
8	PNB	80.00	
9	Axis Bank	25.00	
10	ICICI Bank	50.00	
11	Indusind Bank	40.00	
12	South Indian Bank	50.00	
13	Yes Bank	15.00	
14	Union Bank	100.00	
15	Karur Vyasya Bank	15.00	
16	Proposed Limit	15.00	
	Sub-total	1,300.00	

Total Facilities Rated - Rs.4,369.64 crore.

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