

## India Ratings Downgrades Cimmco to 'IND A+' / Negative

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By [Harsha Rekapalli](#)

APR 2018

India Ratings and Research (Ind-Ra) has downgraded Cimmco Limited's (CL) Long-Term Issuer Rating to 'IND A+' from 'IND AA-'. The Outlook is Negative. The instrument-wise rating actions are as follows:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of the issue (million)	Rating/Outlook	Rating Action
Term loan			December 2019	INR229.4 (reduced from INR400)	IND A+/Negative	Downgraded
Fund-based working capital limits	-	-	-	INR150	IND A+/Negative/IND A1	Downgraded
Non-fund based limits	-	-	-	INR600	IND A1	Downgraded

### KEY RATING DRIVERS

The rating downgrade and Negative Outlook follow a similar rating action on CL's holding company, Titagarh Wagons Limited (TWL; ['IND A+' / Negative](#)). CL has close linkages with TWL which holds 74.7% of the share capital in CL. Also, CL's operations are well-integrated within those of TWL and the companies have common director(s) on their boards.

### RATING SENSITIVITIES

Future developments that could, individually or collectively, lead to a positive or negative rating action are:

- any change in TWL's credit rating
- any weakening of CL's linkage with TWL

### COMPANY PROFILE

CL has a 2,400 units/year of wagons manufacturing facility in Bharatpur, Rajasthan.

## FINANCIAL SUMMARY

Particulars	9MFY18	FY17	FY16
Revenue (INR million)	9,667.70	17,136.00	9,591.70
EBITDA (INR million)	86.7	1,165.60	400.8
EBITDA margin (%)	0.9	4.2	6.8
Total adjusted debt (INR million)	6,012.60	4,071.70	2,679.60
Cash and cash equivalent (INR million)	1,864.20	1,041.50	2,037.40
Net debt (INR million)	4,148.50	3,030.20	642.20
Source: TWL (consolidated)			

## RATING HISTORY

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook	
	Rating Type	Rated Limits (million)	Rating	30 December 2016	29 May 2015
Issuer rating	Long-term	-	IND A+/Negative	IND AA-/Stable	IND AA-/Stable
Term loans	Long-term	INR229.4	IND A+/Negative	IND AA-/Stable	IND AA-/Stable
Fund-based facilities	Long-term/Short-term	INR150	IND A+/Negative/IND A1	IND AA-/Stable/IND A1+	IND AA-/Stable/IND A1+
Non-fund-based facilities	Short-term	INR600	IND A1	IND A1+	IND A1+

## COMPLEXITY LEVEL OF INSTRUMENTS

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

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## Applicable Criteria

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[Corporate Rating Methodology](#)

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## Analyst Names

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Primary Analyst

**Harsha Rekapalli**

Senior Analyst

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Secondary Analyst

**Niraj Rathi**

Associate Director

+91 40 40258622

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Committee Chairperson

**Abhishek Bhattacharya**

Director and Co Head Corporates

+91 22 40001786

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Media Relation

**Namita Sharma**

Manager – Corporate Communication

+91 22 40356121

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