July 14, 2026

Phoenix Conveyor Belt India (P) Limited: Update on material event

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding	Financial Sector Regulator#
Long Term/Short Term – Non-Fund based Limits – Bank Guarantee/ Letter of Credit	131.00	131.00	[ICRA]A+ (Stable)/ [ICRA]A1+	RBI
Total	**131.00**	**131.00**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

Phoenix Conveyor Belt India Private Limited (PCBIPL) is a part of the ContiTech division of Continental AG, Germany, and is a step-down subsidiary of Continental AG through ContiTech Holding Netherlands BV and ContiTech Transportbandsysteme GmbH.

On July 4, 2026, Continental AG has announced the sale of its ContiTech division to an affiliate of Lone Star Funds for an enterprise value of €4.0 billion, along with additional performance-linked consideration of up to €250 million. The transaction remains subject to regulatory approvals. Established in 1995, Lone Star is an investment firm that has organized 26 private equity funds with aggregate capital commitments totalling approximately $96 billion.

Impact of the Material event

PCBIPL operates under the ContiTech division and benefits from the division's technology capabilities, R&D support, product development expertise, and global network. Given that the proposed transaction involves the sale of the entire ContiTech business to Lone Star Funds, the existing operating platform, businesses, and support infrastructure are expected to continue under the new ownership. Accordingly, no immediate operational impact on PCBIPL is anticipated from the proposed transaction.

ICRA will continue to monitor developments related to the transaction, including the transition process and any changes, if any, to the ownership structure, governance framework, and support arrangements applicable to PCBIPL following the completion of the transaction.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: Click here

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered standalone financial statement of PCBIPL

About the company

Phoenix Conveyor Belt India Private Limited (PCBIPL; formerly Phoenix Yule Limited) was incorporated in 1998 as a 74:26 joint venture between Phoenix AG (part of the Continental Group) and Andrew Yule & Company Limited (AYCL). Following AYCL's exit in 2009, the company became a wholly owned subsidiary of ContiTech Transportbandsysteme GmbH, part of Continental AG's ContiTech division. PCBIPL operates a conveyor belt manufacturing facility at Kalyani, West Bengal, and manufactures steel cord and textile-reinforced conveyor belts. In July 2026, Continental AG announced the sale of its entire ContiTech division to Lone Star Funds, and accordingly PCBIPL is expected to become part of the Lone Star-owned ContiTech platform upon completion of the transaction, subject to regulatory approvals.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jul 14, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Non-fund based - Others	Long term/Short term	131.00	[ICRA]A+ (Stable)/ [ICRA]A1+	Mar 25, 2026	[ICRA]A+ (Stable)/ [ICRA]A1+	Mar 13, 2025	[ICRA]A+ (Stable)/ [ICRA]A1+	Mar 18, 2024	[ICRA]A+ (Positive)/ [ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/Short term - Non-fund based limits – Bank guarantee/Letter of credit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulator#
NA	**Bank guarantee/ Letter of credit**	-	-	-	131.00	[ICRA]A+(Stable)/ [ICRA]A1+	RBI

Source: Company

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Annexure III: List of entities considered for consolidated analysis: Not Applicable

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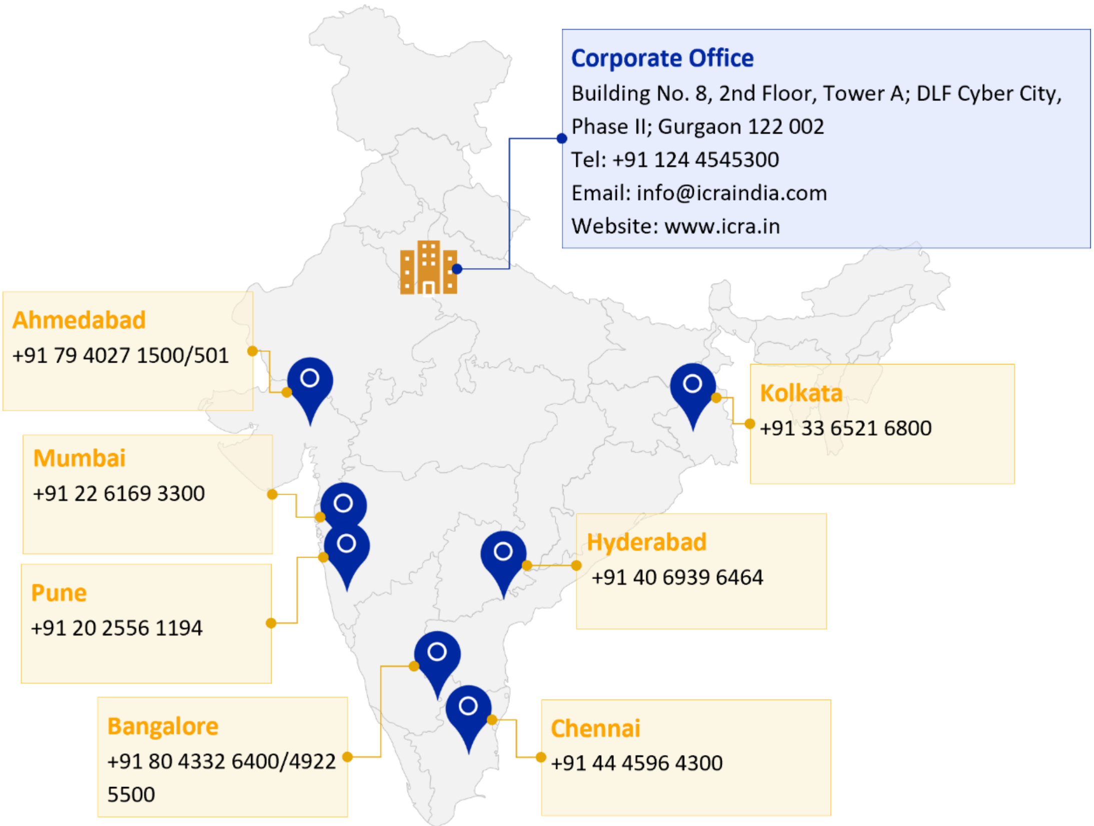

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