CRISIL
Ratings

Rating Rationale

September 05, 2023 | Mumbai

Escorts Kubota Limited

Ratings reaffirmed at 'CRISIL AA+/Stable/CRISIL A1+'

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Rating Action

Total Bank Loan Facilities Rated	**Rs.1000 Crore**
Long Term Rating	**CRISIL AA+/Stable (Reaffirmed)**
Short Term Rating	**CRISIL A1+ (Reaffirmed)**

Note: None of the Directors on CRISIL Ratings Limitedâ€™s Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has reaffirmed its ratings on the bank facilities of Escorts Kubota Limited (EKL; erstwhile â€˜Escorts Limitedâ€™) at â€˜CRISIL AA+/Stable/CRISIL A1+â€™

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EKL registered a 17% growth in fiscal 2023, supported by 14% growth in the Agri-machinery products segment contributed 76% to overall revenues), 20% growth in construction equipments (CE) and 32% growth in railway equipments segments. EKL Domestic tractor volumes registered a growth of 9% as against 12.2% growth for domesticÂ industry while the export volumes up by 12% outperformed as that of the industryÂ degrowth of 3%. The better performance is due to increased offtake from Kubota Corporation (Kubota, S&P Global ratings of â€˜A/Stable/A1â€™). However, operating profitability declined by 375 bps to 8.8% in fiscal 2023 compared to 12.6% in fiscal 2022 due to elevated raw material costs and only partial pass on of the same in form of prices increases, given price sensitive nature of tractor business, and intense competition .

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The CE segmentâ€™s performance was impacted in the first half of fiscal 2023 due to slowdown in road construction and above average rainfall resulting in operating losses in the first half. The demand picked in the second half of fiscal 2023, resulting in volume growth of 12% while the profitability improved marginally in fiscal 2023. The railways segment registered strong growth supported by improved execution while the profitability declined by 106 bps due to higher raw material prices, and inability to pass on due to largely fixed price nature of contracts.

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In April 2022, Kubota completed an open offer and increased its stake in EKL to 44.8%. Subsequently, the companyâ€™s name was changed from Escorts Limited to EKL. In May 2023, EKL cancelled all the residual stake held by Escorts Benefit and Welfare Trust, without payment of any consideration. This increased the stake of Kubota in EKL to 53.5% from 44.8% stake. The EKL board has approvedÂ the scheme of merger of Kubota Agricultural Machinery India Pvt. Ltd (KAI) & Escorts Kubota India Private Limited (EKI), with EKL, subject to necessary approvals. The Scheme has been filed with the National Company Law Tribunal (NCLT) and is expected to be completed by end of fiscal 2024, with effective date of April 1, 2023. Kubotaâ€™s shareholding in EKL may go up by 0.5% post-merger of the JVs with EKL as Kubota holds 60% stake in both the JVs.

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EKLâ€™s revenues grew by 16% YoY in the first quarter of fiscal 2024 supported by 5% growth in the Agri machinery segment, 46% growth in CE segment and 72% growth in railway products segment. EKL Domestic tractor volumes grew by 2.5% in the first three months of fiscal 2024 compared to industry volumes which degrew by 1.9%, while the EKL exports volume degrew by 38% primarily due to moderation in demand in export markets. Volumes in CE segment grew by 43% YoY driven by improved demand scenario due to government thrust and focus on faster execution of infrastructure projects. Overall profitability improved by 404 bps YoY driven by softening input costs and operating leverage in CE and railways segment.

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EKLâ€™s revenues are expected to exceed Rs.10000 crores in fiscal 2024, supported by incremental contribution from merger of the JVs. While agri-machinery segment revenues are expected to remain flattish, revenues from the CE and railway products segment are expected to register healthy growth in fiscal 2024. Operating profitability gains from moderation in input costs, and higher exports will largely be offset by lower margins from the JVs being consolidated, limiting material improvement. Nevertheless, the focus on enhancing quality and reducing costs across all segments, will lead to gradual improvement in EKLâ€™s operating profitability over the medium term.

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EKLâ€™s financial profile continues to be strong, supported by a debt free balance sheet and robust liquid surpluses (almost Rs.5000 crores). As part of its mid-term business plan, EKL has committed to invest Rs.3500-4000 crores over the next 4-5 fiscals. Majority of this will be towards setting up a greenfield plant which will be incurred over a period of 2-3 years. The greenfield capacity will consist of increased capacity for tractor manufacturing, CE manufacturing, R&D centre, spare parts manufacturing, and for a dedicated line for manufacturing engines for Kubota. EKL will also invest in expanding the dealer base, besides exploring options to set up captive Non-Banking financial company(NBFC) arm. That said EKLâ€™s financial risk profile is expected to remain strong, with capex pans being funded mainly from healthy cash accruals of Rs.800-1000 crores per annum. Besides, robust cash surplus also provides sufficient cushion for the capex and incremental working capital requirement if required.

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The ratings continue to factor in the companyâ€™s healthy business risk profile, backed by an established market position in the tractor segment, diversified revenue profile, good operating efficiency, strong financial risk profile and robust liquidity. These strengths are partially offset by high dependence on the tractor industry, limited presence in export, west and south India markets, modest performance of the CE segment & the JVs, and susceptibility to volatility in raw material prices.

Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of EKL and all its subsidiaries and proportionately consolidated joint ventures (JVs) to the extent of its shareholding in these entities (until fiscal 2023). All these entities, collectively referred to as EKL, have significant business and financial linkages and common management. The JVs have been consolidated effective April 1, 2023.

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CRISIL Ratings has factored in possibility of support from Kubota given the strategic importance of EKL to Kubota.

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Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Healthy market position in the tractor industry:** EKL is the fourth largest player in the tractor segment in India (after Mahindra & Mahindra Ltd ['CRISIL AAA/Stable/CRISIL A1+'], Tractors and Farm Equipment Ltd ['CRISIL AA+/Stable/CRISIL A1+'], and International Tractors Ltd), backed by an established legacy of more than 70 years. It offers a wide range of tractors under the Farmtrac and Powertrac brands. EKL also sells 10-30 horsepower tractors under the Steeltrac brand through its JV with the Rajkot-based Amul group.

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  Revamping of the product portfolio over the past 3-4 fiscals, healthy financing tie-ups and expanding dealer network have helped sustain the market share in key geographies. Products introduced to serve local needs in opportunity markets, such as west and south India, and improving dealer and financing penetration should help increase diversity in revenue and market share over the medium term.

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  While the company has 10-11% share in the domestic tractor market with reasonable market share in eastern, northern and western markets in India, it has relatively modest presence in the southern states, which are witnessing better growth than EKLâ€™s main markets. Therefore, its market share has witnessed nominal gains only in the recent past. Further post-merger of the JVs, the combined share of EKL post-mergerÂ in the domestic market will increase to ~13%. Enhancing the distribution network and market share in the southern and western markets could lead to faster improvement in EKLâ€™s market position in the tractor segment.

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  EKLâ€™s tractor exports grew by 12% even though overall exports at an industry level witnessed degrowth in fiscal 2023 driven by enhanced offtake from Kubotaâ€™s sales channels. With increased collaboration of EKL with the Kubota group, the companyâ€™s market position in the high-end utility tractor market is likely to improve in both the domestic and exports markets.

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- **Diversified revenue profile:** While tractors are the mainstay for revenue and will continue to drive growth, the CE and railway equipment businesses contributed 14% and 10% (compared to 14% and 9% in fiscal 2022), respectively, to total revenue in fiscal 2023, adding diversity.

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  Product portfolio in the CE segment comprises earth moving, material-handling and road-construction equipment. The diverse product range resulted in healthy growth over the past 4-5 years resulting in contribution of 14% to total revenue in fiscal 2023. Moreover, the companyâ€™s dominant position in the pick-and-carry crane segment and expected benefit due to business synergies with Kubota leading to improving product portfolio will drive growth over the medium term.

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  Revenue in the railway equipment business is derived from sales of brakes, suspensions, and couplers. Substantial orders of over Rs 1,050 crore as on March 31,2023, provide strong revenue visibility.

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- **Healthy operating efficiency:** EKLâ€™s operating margin improved to 15.4% in fiscal 2021 from 6.9% in fiscal 2017, driven by the cost reduction initiatives undertaken and benefits derived from operating leverage, as well as exit from the loss-making automotive (auto) component business. However, the operating margin declined to 12.6% in fiscal 2022 due to increased material costs and moderation in tractor volumes in line with the industry trends. The operating margins further declined to 8.8% in fiscal 2023 driven by elevated raw material costs and measures taken to preserve market share. A small but gradual improvement in the performance of the CE division has also benefitted the company. Operating profitability in the railway products division was also impacted in fiscal 2023, due to high raw material costs, and largely fixed price contracts, which limit ability of EKL to pass on the increase in costs.

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  Operating profitability for the agrimachinery segment is expected to improve in fiscal 2024 due to moderation in raw material costs. However, any material improvement in profitability will be limited due to the merger of JVs, which have low margins..

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  EKLâ€™s operating profitability is likely to improve over the medium term due to better product mix, focus on enhancing higher margin exports, and better profitability of JVs and the railway products segment. The company will be setting up a dedicated engine manufacturing line to manufacture engines for Kubota which will be supplied to EKL. With localization of manufacturing, operating profitability will gradually improve. Besides, efforts to localize components in the railway products segment, may also aid profitability. In the near term, operating profitability is expected at 9-11%, with gradual improvement to ~12% over the medium term.

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- **Strong financial risk profile, supported by robust liquidity:** The financial profile of EKL remains strong supported by equity infusion of Rs.1873 crores in fiscal 2022 and sizeable networth of Rs. 8109 crores as on March 31, 2023. The company also remains debt free, resulting in robust debt protection metrics. Despite the sizeable capex plans, reliance on debt is not expected to be material thereby sustaining the robust debt protection metrics. Cash accruals are expected to be healthy at Rs.800-1000 crores per annum over the medium term (overall capex of ~Rs.2500 crores over next 2-3 years, in addition to routine annual capex of ~Rs.350 crores). Also, cash surplus of over Rs.5000 crores as on March 31, 2023 will be available, should the need arise. .

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- **Strong parentage of Kubota:** Kubota is a Japanese conglomerate based out of Osaka, Japan and was founded in 1890. Kubotaâ€™s product portfolio includes tractors, agricultural machinery, construction equipment, engines, vending machines, pipes, valves, cast metal, pumps and equipment for water purification, sewage treatment and air conditioning. Kubota is the leader for combine harvesters in Asia and global leader in mini excavators. With a wide presence across 120 countries, Kubota recorded revenues of about USD 19 billion in CY 2022. Kubota is listed on the Tokyo Stock Exchange and is a constituent of the TOPIX 100 and Nikkei 225 with a market cap of over USD 17.5 billion as on July 18, 2023.

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Kubota has invested ~Rs.10,000 crores to acquire 53.5% stake in EKL which signifies the importance of EKL to Kubota. EKL has started to leverage the sales and distribution channels of Kubota to increase its export sales. EKL is targeting to cater to four key high-volume markets - USA, Europe, Thailand, and Brazil and intends to leverage Kubotaâ€™s strong presence in key markets such as North America (~1200 dealers) and Europe (~300 dealers). Accordingly, the capacity of EKL is proposed to be doubled over the medium term. Increasing exports will help EKL mitigate the high dependance on the cyclical domestic tractor market. Besides, EKL can also leverage the strong technical capabilities of Kubota to launch new products. In addition, EKL is also planning to position as sourcing hub for components for Kubota.

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Weaknesses:

- **High dependence on the cyclical domestic tractor market, and limited presence in export, south and west markets:**In India, demand for tractors is determined by multiple variables, such as monsoon, crop prices and availability of finance etc. Around 92% of EKLâ€™s tractor sale volumes are derived from the domestic market, which makes it highly dependent on the performance of the domestic market. For instance, operating performance was constrained in fiscals 2015 and 2016 due to slowdown in the tractor industry, leading to a fiscal-on-fiscal volume decline of 13.3% and 13.9%, respectively. Share in overall export volumes was low at 4-5% over last few years. However, the share has gone up to 8% in fiscal 2023 due to healthy offtake from Kubota. Sustaining improved offtake from Kubota will help in increasing the share of exports for EKL.

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Furthermore, EKL has limited presence in opportunity markets(South and West) . Expanding the dealer base and launch of new products will help in gaining market share in the opportunity markets.

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- **Modest performance of the CE segment and the JVs:** The CE segment was making loss in the recent past due to high fixed costs and cyclicality. However, the earnings before interest and tax (EBIT) margin improved to 3.6% in fiscal 2020 from a negative 2.3% in fiscal 2017. The turnaround was ledÂ by a change in the product mix (increasing proportion of higher tonnage equipment) and cost rationalization initiatives such as vendor rationalization and price renegotiation.

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Revenue and EBIT margin were impacted materially in the first half of fiscalÂ 2023 due to slower pace of road construction and incessant rains; however, performance started improving from the third quarter. EBIT margin for fiscal 2023 was at 2.9% compared to 2.4% in fiscal 2022 recording a gradual improvement due to improved offtake in the fourth quarter of fiscal 2023. The margins will gradually improve with improvement in volumes and benefit of operating leverage over the near term . However, the segment remains vulnerable to intense competition and economic slowdown.

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The manufacturing JV, EKI begun commercial operations in fiscal 2021 and is involved in manufacturing of high end Kubota tractors. Margins have improved to 5% in fiscal 2023 for EKI compared to -8% in fiscal 2022 driven by stabilization of operations and healthy offtake. Presently, the Kubota engines are imported hence the margins are on the lower side. With the domestic manufacture of engines by EKL, the profitability will improve over the medium term. Along with KAI, the JVs recorded ~2% EBITDA margin in fiscal 2023. Hence the merger of JVs will have a dilutive impact on the margins of EKL. Ramp up of profitability of the JVs will remain monitorable.

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- **Susceptibility to volatility in raw material prices:** The price of the key raw material (steel) is volatile. Operating profitability is also constrained by the limited ability to pass on any increase in raw material cost to customers in a timely manner due toÂ intense competition. The railway equipment business is also largely tender based, limiting the scope to pass on sizeable cost changes, unless specifically covered in contracts.

Liquidity: Superior

Cash accruals are expected at over Rs.800-1000 crore annually, against negligible debt obligation, with the company being largely debt free. The company currently has cash and cash equivalents of over Rs.5000 crores. Bank limit remains mostly unutilized.Â The company has almost noÂ dependence on external debt. Internal accrual and cash and equivalent will be sufficient to fund incremental capex and working capital requirement.

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ESG Profile of Escorts Kubota Limited

CRISIL Ratings believes that EKLÂ Environment, Social, and Governance (ESG) profile supports its already strong credit risk profile.

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CRISIL Ratings believes that EKLâ€™s Environment, Social, and Governance (ESG) profile supports its already strong credit risk profile. The auto sector has a significant impact on the environment because of the high greenhouse gas (GHG) emissions of its core operations as well as products. The sector also has a significant social impact because of its large workforce across its own operations and value chain partners and focus on innovation and product development.

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Key ESG highlights:

- EKL has also clearly stated its goals to reduce Carbon dioxide emissions by 25% by FY2030 compared to 2023 levels. Further, EKL has targeted to achieve carbon neutral by 2050. EKL has also targeted to become water positive organization by 2030.
- EKL has also undertaken initiatives to conserve water by recycling wastewater which along with other conservation initiatives has led to a reduction in water consumption across divisions.
- EKL spent 0.5% PAT of FY23 for CSR activities while also spending for sustainable product development. Women contribute 16.67% of EKLâ€™s board(three women out of 18 board of directors) and EKL has committed to hire more women across all levels to improve gender diversity.
- Over the medium term, EKL will perform supplier audits on ESG for its suppliers and will also introduce capacity building programmes on ESG for critical suppliers.
- The governance structure is characterized by 50% of its board comprising independent directors (none of them having tenure exceeding ten years), strong investor grievance redressal mechanism and extensive disclosure.

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There is growing importance of ESG among investors and lenders. EKLâ€™s commitment to ESG principles will play a key role in enhancing stakeholder confidence, given its high share of shareholding by foreign investors/companies.

Outlook: Stable

CRISIL Ratings believes that EKL will continue to benefit from the parentage of Kubota. The association will help EKL enhance its established market position in the agri-equipment segment, besides enhancing export opportunities through Kubotaâ€™s channels. Besides, the companyâ€™sÂ construction equipment and railway products segment will also benefit from healthy demand prospects over the medium term. EKLâ€™s operating capabilities will also stand to benefit from its focus on enhancing quality and range of its products. The company is also expected to sustain its robust financial risk profile, despite sizeable capex plans.Â

Rating Sensitivity factors

Upward Factors:

- Increased strategic importance to Kubota
- Steady gain in overall market share in tractors to over 15%, supported by better presence in southern and western markets
- Improvement in business diversity due to better contribution and profitability of non-agri segments
- Sustenance of strong financial risk profile and robust liquidity

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Downward Factors:

- Sharp deterioration in market share to below 7-8% due to increased competitive intensity, also affecting operating profitability
- Sizeable, debt-funding capex or acquisition, materially impacting key credit metrics
- Material reduction in liquidity surplus
- Weakening of credit profile of Kubota, or change in stance of support anticipated from Kubota

About the Company

Mr H P Nanda and Mr. Yudi Nanda set up the Escorts group through Escorts Agents in 1944 in Lahore. After moving to Delhi post-independence, Escorts Agents was reconstituted into a public limited company named Escorts Agents Pvt Ltd. The company got its current name (Escorts) in January 1960. Escorts currently operates in three Business segments: Agri Machinery product segment, Construction Equipment segment and Railway Equipment segment. It has diversified into other products, such as agricultural machinery, auto components, railway equipment, industrial and construction equipment, telecommunication equipment, healthcare and software services. However, some of its non-core businesses, such as telecommunications (sold Escotel Communications in fiscal 2004), healthcare (sold Escorts Heart Institute & Research Centre in fiscal 2005), and software (in fiscal 2005) and auto components (in fiscal 2017) have been divested. Escorts also merged Escorts Construction Equipment Ltd, Escotrac Finance and Investments Pvt Ltd, and Escorts Finance and Leasing Pvt Ltd with itself in 2012.

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In 2018, Kubota and Escorts set up a high-end tractor manufacturing capacity in Haryana through a 60: 40 JV, Escorts Kubota India Pvt Ltd. The manufacturing facility has capacity of 50,000 units per annum.

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The company is managed by a third-generation family member, Mr Nikhil Nanda, who is the Chairman and Managing Director. It has five manufacturing facilities in Faridabad, Haryana and one in Poland. Total annual capacity is 1.2 lakh tractors and 10,000 units in CE. Currently, Kubota is the majority shareholder holding 53.5% stake, followed by 14.15% with Nanda family, and balance with public and others.

Key Financial Indicators

Particulars	Unit	2023	2022
Revenue	Rs crore	8443	7191
Profit after tax (PAT)	Rs crore	637	736
PAT margin	%	7.5	10.2
Adjusted debt / adjusted networth	Times	0.00	0.00
Interest coverage	Times	64.9	66.3

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure -Â Details of Instrument'Â in this Rating Rationale.

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For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of the instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue size (Rs. Crore)	Complexity Level	Rating assigned with outlook
NA	Working capital facility	NA	NA	NA	643	NA	CRISIL AA+/Stable
NA	Non-fund based limit	NA	NA	NA	281	NA	CRISIL A1+
NA	Proposed long-term bank loan facility	NA	NA	NA	76	NA	CRISIL AA+/Stable

Annexure â€“ List of entities consolidated

Names of entities consolidated	Extent of consolidation	Rationale for consolidation
Invigorated Business Consulting Ltd (Formerly Escorts Finance Ltd)	Fully (67.87%)	Subsidiary
Escorts Benefit and Welfare Trust	Fully	Subsidiary
Farmtrac Tractors Europe Spolka Z.o.o	Fully	Subsidiary
Escorts Crop Solutions Ltd	Fully	Subsidiary
Escorts Benefit Trust	Fully	Subsidiary
Adico Escorts Agri Equipment Pvt Ltd	Proportionate (40%)	Joint venture
Escorts Kubota India Pvt Ltd	Proportionate (40%)	Joint venture
Kubota Agricultural Machinery India Private Limited	Proportionate (40%)	Joint venture
Escorts Consumer Credit Limited	Proportionate (29.41%)	Associate

Annexure - Rating History for last 3 Years

						Start

Â	Current			2023 (History)		2022Â		2021Â		2020Â		of 2020
Instrument	**Type**	**Outstanding Amount**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Rating**
Fund Based Facilities	LT	719.0	CRISIL AA+/Stable	24-02-23	CRISIL AA+/Stable	19-07-22	CRISIL AA+/Stable	29-11-21	CRISIL AA/Watch Positive	29-10-20	CRISIL AA- /Positive / CRISIL A1+	CRISIL A1+ / CRISIL AA- /Stable
Â	Â	Â	--	Â	--	26-04-22	CRISIL AA+/Stable	31-03-21	CRISIL A1+ / CRISIL AA/Stable	30-03-20	CRISIL A1+ / CRISIL AA- /Stable	--
Â	Â	Â	--	Â	--	22-02-22	CRISIL AA/Watch Positive	18-02-21	CRISIL A1+ / CRISIL AA/Stable	Â	--	--
Non-Fund Based Facilities	ST	281.0	CRISIL A1+	24-02-23	CRISIL A1+	19-07-22	CRISIL A1+	29-11-21	CRISIL A1+	29-10-20	CRISIL A1+	CRISIL A1+
Â	Â	Â	--	Â	--	26-04-22	CRISIL A1+	31-03-21	CRISIL A1+	30-03-20	CRISIL A1+	--
Â	Â	Â	--	Â	--	22-02-22	CRISIL A1+	18-02-21	CRISIL A1+	Â	--	--
Commercial Paper	ST	Â	--	Â	--	Â	--	31-03-21	Withdrawn	29-10-20	CRISIL A1+	CRISIL A1+
Â	Â	Â	--	Â	--	Â	--	18-02-21	CRISIL A1+	30-03-20	CRISIL A1+	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Non-Fund Based Limit	45	ICICI Bank Limited	CRISIL A1+
Non-Fund Based Limit	21	IndusInd Bank Limited	CRISIL A1+
Non-Fund Based Limit	20	Standard Chartered Bank Limited	CRISIL A1+
Non-Fund Based Limit	70	Axis Bank Limited	CRISIL A1+
Non-Fund Based Limit	80	IDBI Bank Limited	CRISIL A1+
Non-Fund Based Limit	25	State Bank of India	CRISIL A1+
Non-Fund Based Limit	20	The Hongkong and Shanghai Banking Corporation Limited	CRISIL A1+
Proposed Long Term Bank Loan Facility	76	Not Applicable	CRISIL AA+/Stable
Working Capital Facility	50	HDFC Bank Limited	CRISIL AA+/Stable
Working Capital Facility	97	Axis Bank Limited	CRISIL AA+/Stable
Working Capital Facility	80	IDBI Bank Limited	CRISIL AA+/Stable
Working Capital Facility	30	Standard Chartered Bank Limited	CRISIL AA+/Stable
Working Capital Facility	100	State Bank of India	CRISIL AA+/Stable
Working Capital Facility	105	The Hongkong and Shanghai Banking Corporation Limited	CRISIL AA+/Stable
Working Capital Facility	80	ICICI Bank Limited	CRISIL AA+/Stable
Working Capital Facility	101	IndusInd Bank Limited	CRISIL AA+/Stable

Criteria Details

Links to related criteria
CRISILs Approach to Financial Ratios
Rating criteria for manufaturing and service sector companies
Rating Criteria for Tractor Industry
Mapping global scale ratings onto CRISIL scale
CRISILs Criteria for rating short term debt
CRISILs Criteria for Consolidation
Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support

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