



RATING RATIONALE

29 Oct 2020

Innovative Tyres & Tubes Ltd

Brickwork Ratings Revises the long term ratings and Reaffirms the short term ratings for the Bank Loan Facilities of ₹ 35.50 Crores of Innovative Tyres & Tubes Ltd. based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Feb, 2018)	Present
Fund based	20.50	20.50	Long Term	BWR B Stable Issuer not cooperating*	BWR B- Stable Issuer Not Cooperating* Downgraded
Non Fund Based	15.00	15.00	Short Term	BWR A4 Issuer not cooperating*	BWR A4 Issuer Not Cooperating* Reaffirmed
Total	35.50	35.50	INR Thirty Five Crores and Fifty Lakhs Only.		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate, based on best available information.

Details of Bank facilities is provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The long term ratings of the Bank Loan Facilities of the company has been downgraded and the short term ratings for the bank loan facilities is reaffirmed shifted to BWR B- (Stable) / A4, Issuer not cooperating on account of non-receipt of any papers/information for ascertaining the financial risk profile/performance of the Company. BWR has therefore moved the rating under the “Issuer Not Cooperating” category.

The rating was due for review in Feb 2019. BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In



the absence of adequate information from the Company, BWR is unable to assess the Company's financial performance and its ability to service its debt and maintain a valid rating.

Hence on account of inadequate information and lack of management cooperation, Brickworks Ratings has downgraded/reaffirmed the rating of bank loan facilities to BWR B- (Stable)/A4, Issuer not cooperating.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non- transparency and withholding of the information required for a review of the rating.

COMPANY PROFILE (As Available with BWR in June, 2016)

Innovative Tyres & Tubes Ltd, part of the Innovative Group, was incorporated in 1995 as a manufacturer of Butyl Rubber Tubes for four-wheelers like Car, LCV, Truck, Bus, etc. and soon expanded to tubes tyres and flaps for commercial vehicles, agricultural vehicles and trucks. It has two plants - one spread 110,000 sq ft manufacturing tubes and another manufacturing tyres spread over 3,00,000 sq. ft. located at Halol, Gujarat in India in the industrial friendly state of Gujarat with good base infrastructure and access to all key market areas. The company markets the products under its three brands: 'Innovative', 'Vayu' and 'Stud' with exports of tyres under the 'Vayu' and 'Stud' brand supplied through Tionale Enterprises, Singapore and caters to the domestic market through network of exclusive/multi product outlets. Its products carry the quality certificate of ISO 9001:2008, ISI, TUV & BIS.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY

CRA Name	Date	Amt (Rs. Crs)	Rating
India Ratings	10 July, 2020	40.06	IND BB/A4+ Issuer not cooperating

RATING HISTORY (INCLUDING WITHDRAWAL AND SUSPENSION)

Instrument / Facilities	Current Rating			Rating History		
	Tenure	Amount (₹ Cr)	Rating	2019	19 Feb, 2018	2017
Fund Based	Long Term	20.50	BWR B-Stable Issuer not cooperating* Downgraded	-	BWR B Issuer not cooperating*	-
Non Fund Based	Short Term	15.00	BWR A4 Issuer not cooperating* Reaffirmed	-	BWR A4 Issuer not cooperating*	-
Total		35.50	INR Thirty Five Crores and Fifty Lakhs Only			

* Issuer did not cooperate, based on best available information.

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to Financial Ratios

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ANNEXURE I

Innovative Tyres & Tubes Ltd.

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1	State Bank of India	Fund Based:			
		Cash Credit	15.00	-	15.00
		Standby LC	3.00	-	3.00
		Term Loan	2.50	-	2.50
		Non Fund Based:			
	LC	-	14.00	14.00	
	BG	-	1.00	1.00	
TOTAL					35.50

Total Rupees Thirty Five Crores and Fifty Lakhs only.

For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings : Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and



other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partners. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.