

## Brickwork Ratings reaffirms ratings of ITI

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ITI said that Brickwork Ratings has reaffirmed its ratings on the enhanced bank loan facilities of the company of Rs 4,469.50 crore.

The fund-based long-term rating has been reaffirmed at 'BWR A- (CE)/ Stable' while the non-fund based short term rating has been reaffirmed at 'BWR A2+ (CE)'.

Brickwork Ratings said that the reaffirmation of ratings of ITIL's enhanced bank loan facilities continue to reflect the improved business profile, supported by an improvement in the capital structure and liquidity position during the last two fiscals.

The ratings also factor in the company's demonstrated ability of improved execution while maintaining a strong order book position with fresh orders from the Ministry of Defence (MoD) and various state governments.

Moreover, the company's thrust on upgrading its facilities, focus on newer initiatives and the latest technologies have improved operating margins during the last two years and are expected to aid not only in the growth momentum but also in cash accrual generation.

The improvement in its debtor realisation resulted in the optimum utilisation of working capital facilities and an adequate cash position as on 30 September 2021.

The Stable outlook indicates a low likelihood of rating change over the medium term.

ITI is a pioneer in the Indian Telecom equipment market with a diversified product portfolio that includes electronic switching exchanges, transmission equipment, microelectronic equipment, telephone instruments, equipment for defence, turnkey telecom services, and ground stations for satellite communications. The Central Government (President of India) held 89.97% and the Government of Karnataka held 0.03% of the share capital as on date.

The company reported a consolidated net loss of Rs 92.61 crore in the quarter ended December 2021 as against net loss of Rs 31.80 crore during the previous quarter ended December 2020. Sales declined 72.36% YoY to Rs 137.32 crore in Q3 FY22.

The scrip jumped 5.29% to end at Rs 95.50 on the BSE yesterday.