

अखिल कुमार
महाप्रबंधक - निगमित वित्त
AKHIL KUMAR
General Manager
Corporate Finance



आईटीआई लिमिटेड
(भारत सरकार का उपक्रम)
ITI LIMITED
(A Govt. of India Undertaking)

Ref: ITI/CRP/FIN/2023/1056

4th March, 2023

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400 001
Scrip Code: 523610

The Manager
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra (E)
Mumbai- 400 051
Scrip Code: ITI

Madam/Sir,

Sub: External Credit Rating

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Please note that M/s Brickwork Ratings India Pvt. Ltd. ["M/s Brickwork"] has been assigning credit rating for Bank Loan facilities of ITI Limited since 2015.

As per the last credit rating letter dated 24.02.2022 [copy enclosed-Annexure A], M/s Brickwork, had assigned credit rating for Bank Loan facilities of Rs. 4469.50 [Fund Based: Rs. 2445 Cr. and Non-Fund Based: Rs. 2024.50 Cr.], as under:

Existing Rating vide rating letter dated 24.02.2022

Particulars	Analytical approach	
	Credit Enhancement	Standalone
Long Term	BWR A-(CE)	BWR BBB+
Short-Term	BWR A2+(CE)	BWR A2
Outlook	Stable	Stable

Further, the credit rating was due for review during Feb, 2023.

However, Securities and Exchange Board of India [SEBI] had cancelled the certificate of registration of M/s Brickwork Ratings India Pvt. Ltd vide order dated October 6, 2022, under the SEBI (Intermediaries) Regulations, 2008 ('Intermediaries Regulations' for short). Further, Brickwork has filed appeal against the order and obtained stay. The appeal is under consideration/process with Securities Appellate Tribunal Mumbai.

As per Stay Order dated 14.10.2022 and SAT order dated 01.02.2023 [copy enclosed-Annexure B & C], M/s Brickwork, is prohibited from taking any new assignment or contract or launch any new scheme during the pendency of the appeal. Accordingly, the mandate and information for further review of credit rating was not given to M/s Brickwork Ratings India Pvt. Ltd.

However, despite of not giving mandate and information for review, M/s Brickwork has revised the rating vide rating letter and rational dated 03.03.2023 [copy enclosed-Annexure D & E], as under:

Revised Rating vide rating letter dated 03.03.2023

Particulars	Analytical approach	
	Credit Enhancement	Standalone
Long Term	Discontinued	BWR BBB+
Short-Term		BWR A2
Outlook		Stable

It may be noted that earlier vide letter dated 24.02.2022, M/s Brickwork had reviewed ratings under both the analytical approaches i.e. a) Credit rating with "Credit Enhancement[CE]" i.e. considering the support of Letter of Comfort and b) "Standalone" credit rating i.e. without considering the support of Letter of Comfort, whereas with credit rating dated 03.03.2023, M/s Brickwork has reviewed credit rating only under "Standalone" approach keeping the rating at the same level under this category i.e. BWR BBB+/Stable/A2 and discontinued the credit rating under "Credit Enhancement[CE]" approach.

This is for your information and record, please.

**Thanking you,
For ITI Limited**

**(AKHIL KUMAR)
General Manager-Corporate Finance**

Copy to:
General Manager
Securities and Exchange Board of India [SEBI]
Compliance and Monitoring Division
Corporation Finance Department
Mumbai.



BWR/BLR/HO/CRC/SAK/8619/2021-22

24Feb2022

Mr. R.M. Agarwal

Chairman & MD

ITI Limited

Regd & Corporate Office, ITI Bhavan, Doorvani Nagar

Bangalore-560016

Karnataka

Dear Sir,

Sub: Review of Ratings of the enhanced Bank Loan Facilities of ITI Limited amounting to Rs.4469.50 Crs (Rupees Four Thousand Four Hundred Sixty Nine Crores and Fifty lakhs Only).

On a review of ITI Limited's performance based on the information and clarifications provided by you, and as available in public sources, we wish to inform you that the ratings of ITI Limited's enhanced Bank Loan Facilities amounting to Rs.4469.50 Crs, have been reviewed as follows:

Facilities**	Amount (Rs.Crs.)		Tenure	Rating#	
	Previous	Present		Previous(03 Jan 2022)	Present
Fund Based					
Cash Credit -Sanctioned	1145.00	1145.00	Long Term	BWR A- (CE)/Positive to Stable Upgraded with change in Outlook	BWR A - (CE) /Stable Reaffirmation
Cash Credit -Proposed	56.64	1217.31			
Covid -19 Emergency Line Credit -Sanctioned	93.36	82.69			
Sub Total	1295.00	2445.00			
Non-Fund Based					
Bank Guarantee -Sanctioned	1123.03	1123.03	Short Term	BWR A2+ (CE) Upgraded	BWR A2 + (CE) Reaffirmation
Letter of Credit -Sanctioned	545.00	545.00			

Facilities**	Amount (Rs.Crs.)		Tenure	Rating#	
	Previous	Present		Previous(03 Jan 2022)	Present
Credit Exposure Limit (CEL) -Sanctioned	02.50	02.50			
BG/ILC -Proposed	888.81	353.97			
Sub Total	2559.34	2024.50			
Grand Total	3854.34	4469.50	(Rupees Four Thousand Four Hundred Sixty Nine Crores and Fifty lakhs Only)		

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

**Bank Loan facility details are furnished in Annexure-I

The ratings for the bank loan facilities of ITI Limited (ITIL or the company) are based on explicit credit enhancement by way of support from the Government of India (GoI) in the form of a Letter of Comfort (LoC) issued by the Ministry of Communications, Department of Telecommunications, GoI. The LoC is issued in favour of the company's Consortium Bankers and states that the Department of Telecommunications (DoT) will continue to ensure that ITIL meets its payment obligations in a timely manner in respect of the working capital facilities, as it is under the administrative control of the Ministry. The GoI has regularly been issuing such LoCs. The latest LoC dated 29 December 2021 is valid up to 31 July 2023 and is issued in respect of working capital limits (fund-based and non-fund-based, including proposed limits) of Rs.4469.50 Crs, the present rated amount. The unsupported (standalone) rating as assessed by Brickwork Ratings (BWR) without considering the explicit Credit Enhancement is BWR BBB+/Stable/ A2.

The Ratings are valid for twelve months from the date of this letter subject to terms and conditions that were agreed in your mandate dated **07 Feb 2022** and other correspondence, if any, and Brickwork Ratings' standard disclaimer pronounced at the end of this letter.

The rated Bank Loan facilities would be under surveillance / review during the said period. You are required to submit information periodically as per Annexure - II for the purpose of surveillance / review. You are also required to keep us informed of any information / development that may affect your entity's finances / performance without any delay. **You are also requested to submit No Default Statement on monthly basis.**

Best Regards,



Brickwork Ratings India Pvt. Ltd.

3rd Floor, Raj Alkaa Park, Kalena Agrahara,
Bannerghatta Road, Bengaluru - 560 076
P: +91 80 4040 9940 | F: +91 80 4040 9941

Saakshi

Saakshi Kanwar
Senior Manager Ratings

Note: Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com, If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com.

DISCLAIMER

Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by the Reserve Bank of India [RBI], offers credit ratings of Bank Loan facilities, 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, Securitization Products, Municipal Bonds, etc. [hereafter referred to as "Instruments"].BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

BWR wishes to inform all persons who may come across Rating Rationales and Rating Reports provided by BWR that the ratings assigned by BWR are based on information obtained from the issuer of the instrument and other reliable sources, which in BWR's best judgment are considered reliable. The Rating Rationale / Rating Report & other rating communications are intended for the jurisdiction of India only.The reports should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in Europe and also the USA).

BWR also wishes to inform that access or use of the said documents does not create a client relationship between the user and BWR.

The ratings assigned by BWR are only an expression of BWR's opinion on the entity / instrument and should not in any manner be construed as being a recommendation to either, purchase, hold or sell the instrument.

BWR also wishes to abundantly clarify that these ratings are not to be considered as an investment advice in any jurisdiction nor are they to be used as a basis for or as an alternative to independent financial advice and judgment obtained from the user's financial advisors. BWR shall not be liable to any losses incurred by the users of these Rating Rationales, Rating Reports or its contents. BWR reserves the right to vary, modify, suspend or withdraw the ratings at any time without assigning reasons for the same.

BWR's ratings reflect BWR's opinion on the day the ratings are published and are not reflective of factual circumstances that may have arisen on a later date. BWR is not obliged to update its opinion based on any public notification, in any form or format although BWR may disseminate its opinion and analysis when deemed fit.

Neither BWR nor its affiliates, third party providers, as well as the directors, officers, shareholders, employees or agents (collectively, "**BWR Party**") guarantee the accuracy, completeness or adequacy of the Ratings, and no BWR Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Rating



Brickwork Ratings India Pvt. Ltd.

3rd Floor, Raj Alkaa Park, Kalena Agrahara,
Bannerghatta Road, Bengaluru - 560 076
P: +91 80 4040 9940 | F: +91 80 4040 9941

Rationales or Rating Reports. Each BWR Party disclaims all express or implied warranties, including, but not limited to, any warranties of merchantability, suitability or fitness for a particular purpose or use. In no event shall any BWR Party be liable to any one for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Rating Rationales and/or Rating Reports even if advised of the possibility of such damages. However, BWR or its associates may have other commercial transactions with the company/entity. BWR and its affiliates do not act as a fiduciary.

BWR keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of BWR may have information that is not available to other BWR business units. BWR has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, www.brickworkratings.com. More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

BWR is bound by the Code of Conduct for Credit Rating Agencies issued by the Securities and Exchange Board of India and is governed by the applicable regulations issued by the Securities and Exchange Board of India as amended from time to time.

ITI Limited

Annexure-I

Details of Bank Loan Facilities Rated by BWR

Name of the Bank	Facilities	Tenure	Amount (Rs.Crs.)
Bank of Baroda	Cash Credit-Sanctioned	Long Term	528.60
	Bank Guarantee-Sanctioned	Short Term	760.03
	Letter of Credit-Sanctioned	Short Term	289.40
	Covid -19 Emergency Line Credit-Sanctioned	Long Term	2.69

Name of the Bank	Facilities	Tenure	Amount (Rs.Crs.)
Canara Bank	Covid -19 Emergency Line Credit-Sanctioned	Long Term	80.00
	Letter of Credit-Sanctioned	Short Term	8.60
	Bank Guarantee-Sanctioned	Short Term	10.00
	Cash Credit-Sanctioned	Long Term	77.40
Central Bank of India	Cash Credit-Sanctioned	Long Term	44.00
	Bank Guarantee-Sanctioned	Short Term	1.00
	Letter of Credit-Sanctioned	Short Term	30.00
Indian Bank	Letter of Credit-Sanctioned	Short Term	5.00
	Bank Guarantee-Sanctioned	Short Term	5.00
	Cash Credit-Sanctioned	Long Term	10.00
Punjab National Bank	Cash Credit-Sanctioned	Long Term	46.00
	Bank Guarantee-Sanctioned	Short Term	36.00
	Letter of Credit-Sanctioned	Short Term	48.00



Brickwork Ratings India Pvt. Ltd.

3rd Floor, Raj Alkaa Park, Kalena Agrahara,
Bannerghatta Road, Bengaluru - 560 076
P: +91 80 4040 9940 | F: +91 80 4040 9941

Name of the Bank	Facilities	Tenure	Amount (Rs.Crs.)
State Bank Of India (SBI)	Credit Exposure Limit (CEL)-Sanctioned	Short Term	2.50
	Bank Guarantee-Sanctioned	Short Term	290.00
	Letter of Credit-Sanctioned	Short Term	109.00
	Cash Credit-Sanctioned	Long Term	385.00
Un tied portion from consortium of banks	Cash Credit-Proposed	Long Term	1217.31
	BG/ILC-Proposed	Short Term	353.97
Union Bank of India	Letter of Credit-Sanctioned	Short Term	55.00
	Cash Credit-Sanctioned	Long Term	54.00
	Bank Guarantee-Sanctioned	Short Term	21.00
TOTAL (Rupees Four Thousand Four Hundred Sixty Nine Crores and Fifty lakhs Only)			4469.50



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3rd Floor, Raj Alkaa Park, Kalena Agrahara,
Bannerghatta Road, Bengaluru - 560 076
P: +91 80 4040 9940 | F: +91 80 4040 9941

ITI Limited
Annexure-II

The following documents/ information should be submitted to BWR:

1. Confirmation from the Company that all the terms and conditions stipulated in the Bank's Term loan sanction letter has been fully complied with.
2. Certified copy of periodical book debts/bills receivables statements submitted to the bank.
3. Confirmation about payment of installment and interest as and when paid.
4. Schedule of Term Loan installments and Interest due and payment made so far.
5. Certified copy of Quarterly Information Statements (QIS) and Half Yearly Information Statements (HYIS) submitted to the bank.
6. Certified copy of Banks' Statements of Accounts on a quarterly basis.
7. Quarterly / Half yearly financial statements (unaudited or with limited review) and Annual financial statements (provisional as well as audited).
8. Information on delays/defaults in servicing bank loans, letters of credit, letters of guarantee, NCDs, bonds and other borrowings, if any, by the Company as at the end of each month by 1st of succeeding month.
9. Information on delays / defaults in servicing of debt obligations of any subsidiary / other group companies, if any, as at the end of each month by 1st of succeeding month.
10. Any other statement / information sought by BWR from time to time.
11. All the aforesaid information shall be mailed to dat@brickworkratings.com

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date : 14.10.2022

Misc. Application No. 1184 of 2022
And
Misc. Application No. 1185 of 2022
And
Misc. Application No. 1186 of 2022
And
Appeal No. 694 of 2022

Brickwork Ratings India Private Limited ...Appellant

Versus

Securities and Exchange Board of India ...Respondent

Mr. Somasekhar Sundaresan, Advocate with Ms. Savani Gupte,
Ajay Kumar and Mr. Amol Jhunjhunwala, Advocates i/b
M/s Samvad Partners for the Appellant.

Mr. Gaurav Joshi, Senior Advocate with Mr. Feroze Patel,
Mr. Abhiraj Arora and Shourya Tanay, Advocates i/b ELP for
the Respondent.

ORDER:

1. We have heard the learned counsel for the parties. Since
the appeal has been taken up for hearing, the urgency

application is disposed of. We find that by the impugned order dated October 6, 2022 the certificate of registration under the SEBI (Intermediaries) Regulations, 2008 ('Intermediaries Regulations' for short) have been cancelled for the violation found during the investigation period October 1, 2018 to November 30, 2019.

2. Let a reply be filed by the respondent within two weeks. Rejoinder may be filed within two weeks thereafter. The matter would be listed for admission and for final disposal on November 15, 2022.

3. Considering the facts and circumstances of this case, we direct that the effect and operation of the impugned order cancelling the registration of the appellant under the Intermediaries Regulations shall remain stayed provided the appellant is prohibited from taking any new assignment or contract or launch any new scheme during the pendency of the appeal. The miscellaneous application for stay is disposed of.

4. This order will be digitally signed by the Private Secretary on behalf of the bench and all concerned parties are directed to act on the digitally signed copy of this order. Certified copy of

this order is also available from the Registry on payment of usual charges.

Justice Tarun Agarwala
Presiding Officer

Justice M.T. Joshi
Judicial Member

Ms. Meera Swarup
Technical Member

14.10.2022
msb

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date: 01.02.2023

Misc. Application No. 1184 of 2022
And
Misc. Application No. 1185 of 2022
And
Appeal No. 694 of 2022

Brickwork Ratings India Private Limited ...Appellant

Versus

Securities and Exchange Board of India ...Respondent

Ms. Savani Gupte, Advocate with Mr. Lalit Munshi, Ms. Fatima Fernandes, and Mr. Amol Jhunjhunwala, Advocates i/b M/s Samvad Partners for the Appellant.

Mr. Abhiraj Arora, Advocate with Mr. Shourya Tanay and Mr. Deepanshu Agarwal, Advocate i/b ELP for the Respondent.

ORDER:

1. Due to non-availability of the bench, the matter is adjourned. List on February 16, 2023.

2. This order will be digitally signed by the Private Secretary on behalf of the bench and all concerned parties are directed to act on the digitally signed copy of this order. Certified copy of this order is also available from the Registry on payment of usual charges.

Ms. Meera Swarup
Technical Member

01.02.2023 PRERNA Digitally signed
PK MANISH by PRERNA
KHARE MANISH KHARE
Date: 2023.02.02
16:15:32 +05'30'



BWR/BLR/HO/CRC/SAK/8475/2022-23
03Mar2023

Mr. S.V.R. Murthy
DGM-Finance
ITI Limited
Regd & Corporate Office, ITI Bhavan
Doorvani Nagar, Bangalore - 560016, Karnataka

Dear Sir,

Sub: Non-receipt of information to undertake a review of ratings of the Bank Loan Facilities of ITI Limited for Rs. 4469.50 Crs. (Rupees Four Thousand Four Hundred Sixty Nine Crores and Fifty Lakhs Only).

Ref: Our Rating Letter No. BWR/BLR/HO/CRC/SAK/8619/2021-22 dated 24Feb2022

Ratings were due for a review in February 2023. Brickwork Ratings (BWR) has taken up with the company through emails and telephone calls to provide financial and operational information for the periodic monitoring and surveillance of the ratings. Despite the best efforts of BWR to get the required information for a review, the company has not shared the requisite information. Due to the lack of management cooperation and in the absence of adequate information from the company, BWR is unable to assess the company's performance, its ability to service its debt and maintain a valid rating.

As per regulatory provisions, Brickwork Ratings has reviewed the ratings for the bank loan facilities of Rs. 4469.50 Crs. based on the best available information as the company did not cooperate. Accordingly, the ratings for the said bank loan exposure of Rs. 4469.50 Crs. have been reviewed as under:

Facilities**	Amount (Rs.Crs.)		Tenure	Rating#	
	Previous	Present		Previous(24 Feb 2022)	Present
Fund Based					
Cash Credit -Sanctioned	1145.00	1145.00	Long Term	BWR A- (CE)/Stable Reaffirmation	BWR BBB + /Stable ISSUER NOT COOPERATING*/Downgraded^
Cash Credit -Proposed	1217.31	1217.31			
Covid -19 Emergency Line Credit - Sanctioned	82.69	82.69			
Sub Total	2445.00	2445.00			
Non-Fund Based					
Bank Guarantee -Sanctioned	1123.03	1123.03			
Letter of Credit -Sanctioned	545.00	545.00			
Credit Exposure Limit (CEL) - Sanctioned	02.50	02.50	Short Term	BWR A2+ (CE) Reaffirmation	BWR A2 ISSUER NOT COOPERATING*/Downgraded^
BG/ILC -Proposed	353.97	353.97			
Sub Total	2024.50	2024.50			



Brickwork Ratings India Pvt. Ltd.

3rd Floor, Raj Alkaa Park, Kalena Agrahara,
Bannerghatta Road, Bengaluru - 560 076

P: +91 80 4040 9940 | F: +91 80 4040 9941

Facilities**	Amount (Rs.Crs.)		Tenure	Rating#	
	Previous	Present		Previous(24 Feb 2022)	Present
Grand Total	4469.50	4469.50	(Rupees Four Thousand Four Hundred Sixty Nine Crores and Fifty lakhs Only)		

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

**Bank Loan facility details are furnished in Annexure-I

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

Note: ^Revision in analytical approach from CE to standalone; withdrawal of earlier unsupported rating of BWR BBB+/Stable/A2. The ratings for the bank loan facilities of ITI Limited (ITIL or the company) were based on explicit credit enhancement by way of support from the Government of India (GoI) in the form of a Letter of Comfort (LoC) issued by the Ministry of Communications, Department of Telecommunications, GoI. The LoC is issued in favour of the company's Consortium Bankers. The GoI has regularly been issuing such LoCs. The latest LoC dated 29 Dec 2021 is valid up to 31 July 2023. A Rating Rationale issued by us in this regard is enclosed for your information. We are also endorsing a copy of this letter along with a copy of the said Rating Rationale to your bankers for their information and records.

Brickwork Ratings would be happy to review the said ratings provided required information and co-operation is received from your end.

Best Regards,

Saakshi Kanwar

Associate Director - Ratings

DISCLAIMER

Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by the Reserve Bank of India [RBI], offers credit ratings of Bank Loan facilities, 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, Securitization Products, Municipal Bonds, etc. [hereafter referred to as "Instruments"].BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

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Neither BWR nor its affiliates, third party providers, as well as the directors, officers, shareholders, employees or agents (collectively, "BWR Party") guarantee the accuracy,

Ahmedabad • Bengaluru • Chandigarh • Chennai • Hyderabad • Kolkata • Mumbai • New Delhi

info@brickworkratings.com | www.brickworkratings.com | CIN: U67190KA2007PTC043591



Brickwork Ratings India Pvt. Ltd.

3rd Floor, Raj Alkaa Park, Kalena Agrahara,
Bannerghatta Road, Bengaluru - 560 076
P: +91 80 4040 9940 | F: +91 80 4040 9941

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BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, www.brickworkratings.com. More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

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ITI Limited
Annexure-I

Details of Bank Loan Facilities Rated by BWR

Name of the Bank	Facilities	Tenure	Amount (Rs.Crs.)
Bank of Baroda	Cash Credit-Sanctioned	Long Term	528.60
	Bank Guarantee-Sanctioned	Short Term	760.03
	Letter of Credit-Sanctioned	Short Term	289.40
	Covid -19 Emergency Line Credit-Sanctioned	Long Term	2.69
Canara Bank	Covid -19 Emergency Line Credit-Sanctioned	Long Term	80.00
	Letter of Credit-Sanctioned	Short Term	8.60
	Bank Guarantee-Sanctioned	Short Term	10.00
	Cash Credit-Sanctioned	Long Term	77.40
Central Bank of India	Cash Credit-Sanctioned	Long Term	44.00
	Bank Guarantee-Sanctioned	Short Term	1.00
	Letter of Credit-Sanctioned	Short Term	30.00
Indian Bank	Letter of Credit-Sanctioned	Short Term	5.00
	Bank Guarantee-Sanctioned	Short Term	5.00
	Cash Credit-Sanctioned	Long Term	10.00
Punjab National Bank	Cash Credit-Sanctioned	Long Term	46.00
	Bank Guarantee-Sanctioned	Short Term	36.00
	Letter of Credit-Sanctioned	Short Term	48.00
State Bank Of India (SBI)	Credit Exposure Limit (CEL)-Sanctioned	Short Term	2.50
	Bank Guarantee-Sanctioned	Short Term	290.00
	Letter of Credit-Sanctioned	Short Term	109.00
	Cash Credit-Sanctioned	Long Term	385.00
	Cash Credit-Proposed	Long Term	1217.31



Brickwork Ratings India Pvt. Ltd.

3rd Floor, Raj Alkaa Park, Kalena Agrahara,
Bannerghatta Road, Bengaluru - 560 076
P: +91 80 4040 9940 | F: +91 80 4040 9941

Un tied portion from all categories of banks Name of the Bank	Facilities	Tenure	Amount (Rs.Crs.)
	BG/ILC-Proposed	Short Term	353.97
Union Bank of India	Letter of Credit-Sanctioned	Short Term	55.00
	Cash Credit-Sanctioned	Long Term	54.00
	Bank Guarantee-Sanctioned	Short Term	21.00
TOTAL (Rupees Four Thousand Four Hundred Sixty Nine Crores and Fifty lakhs Only)			4469.50

RATING RATIONALE

03Mar2023

ITI Limited

Brickwork Ratings downgrades the ratings for the Bank Loan Facilities of Rs. 4469.50 Crs. of ITI Limited based on best available information, as the issuer did not cooperate.

Particulars

Facilities**	Amount (Rs.Crs.)		Tenure	Rating#	
	Previous	Present		Previous (24 Feb 2022)	Present
Fund Based	2445.00	2445.00	Long Term	BWR A- (CE)/Stable Reaffirmation	BWR BBB + /Stable ISSUER NOT COOPERATING*/Downgraded^
Non Fund Based	2024.50	2024.50	Short Term	BWR A2+ (CE) Reaffirmation	BWR A2 ISSUER NOT COOPERATING*/Downgraded^
Grand Total	4469.50	4469.50	(Rupees Four Thousand Four Hundred Sixty Nine Crores and Fifty lakhs Only)		

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

**Details of Bank Loan facilities, consolidation or instruments are provided in Annexure

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

Note: ^Revision in analytical approach from CE to standalone; withdrawal of earlier unsupported rating of BWR BBB+/Stable/A2. The ratings for the bank loan facilities of ITI Limited (ITIL or the company) were based on explicit credit enhancement by way of support from the Government of India (GoI) in the form of a Letter of Comfort (LoC) issued by the Ministry of Communications, Department of Telecommunications, GoI. The LoC is issued in favour of the company's consortium bankers. The GoI has regularly been issuing such LoCs. The latest LoC dated 29 Dec2021 is valid up to 31 July 2023.

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

Bank loan ratings of ITI Ltd. (ITI) were due for a review in February 2023. Brickwork Ratings (BWR) has taken up with the company through emails and telephone calls to provide financial and operational information for the periodic monitoring and surveillance of the ratings. Despite the best efforts of BWR to get the required information for a review, the company has not shared the requisite information. Due to the lack of management cooperation and in the absence of adequate information from the company, BWR is unable to assess the company's performance, its ability to service its debt and maintain a valid rating.

The ratings for the bank loan facilities of ITI were based on explicit credit enhancement (CE) by way of support from the Government of India (GoI) in the form of a Letter of Comfort (LoC) issued by the Ministry of Communications, Department of Telecommunications, GoI. The latest LoC dated 29 December 2021 is valid up to 31 July 2023. It is understood that the Ministry of Finance (MoF), GoI has issued Office Memorandum withdrawing the authority to issue LoC by ministries or departments or any entities of the Government of India (GoI) w.e.f. 31Mar2022. So, there is uncertainty pertaining to availability of LoC after 31 July 2023 to support the CE rating. The company has not given us any clarification in this regard despite follow up. Based on the inability of the rating team to assess the continuity and availability of the support structure for the CE rating arising from the non-cooperation of the company in sharing requisite information, the analytical approach is recommended to be changed from "Credit Enhancement" to "Standalone".

Hence, based on extant regulatory guidelines, non-cooperation by the company, and the best available information, BWR has downgraded the ratings of the bank loan facilities to BWR BBB+/Stable/A2 and migrated them to the ISSUER NOT COOPERATING* category.

*Issuer did not cooperate; based on best available information

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 information required for a review of the rating.

ABOUT THE ENTITY

Incorporated in 1948, ITIL is India's first Public Sector Undertaking, which became a public limited company on 23 November 1985. ITIL is listed on the NSE and BSE. The company 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.

ITI Limited has six manufacturing units in Bangalore, Naini, Rae Bareli, Mankapur, Pallakad and Srinagar. The manufacturing facilities of ITIL have been accredited with a quality management system as per ISO 9001-2015, environmental management system as per ISO 14001-2015, customer satisfaction as per ISO: 10002:2018, OHSAS 18001, and so on. The company's various products and services are having approvals/certifications from recognised bodies such as the Technical Specification Evaluation Certificate (TSEC) issued by QA and Inspection Circle of BSNL, International Electrotechnical Commission (IEC), Bureau of Indian Standards (BIS), National Payments Corporation of India (NPCI), Vikram Sarabhai Space Center (VSSC), Telecommunication Engineering Center (TEC), MasterCard and so on.

(as per the information shared during Feb'22 rating review)

KEY FINANCIAL INDICATORS (Standalone)

Key Parameters	Units	FY 21-22 (Audited)	FY 20-21 (Audited)	FY 22-23 (Unaudited - Midterm_Q3)
Operating Revenue	Rs.Crs.	1860.73	2432.59	620.19
EBITDA	Rs.Crs.	108.65	121.68	-147.35
PAT	Rs.Crs.	121.06	11.20	-287.21
Tangible Net Worth	Rs.Crs.	2585.98	2420.06	N.A
Total Debt/TNW	Times	0.64	0.62	N.A
Current Ratio	Times	0.99	0.95	N.A

KEY FINANCIAL INDICATORS (Consolidated)

Key Parameters	Units	FY 21-22 (Audited)	FY 20-21 (Audited)	FY 22-23 (Unaudited - Midterm_Q3)
Operating Revenue	Rs.Crs.	1860.73	2432.59	620.19
EBITDA	Rs.Crs.	108.66	121.68	-147.35
PAT	Rs.Crs.	119.70	9.48	-287.85
Tangible Net Worth	Rs.Crs.	2620.48	2455.92	N.A
Total Debt/TNW	Times	0.63	0.62	N.A
Current Ratio	Times	0.99	0.95	N.A

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY

NA

ANY OTHER INFORMATION

Nil

RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawal and suspended)

Facilities	Current RatingÅ (2023)			2023 (History)		2022		2021		2020	
Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	2445.00	BWR BBB+/Stable (ISSUER NOT COOPERATING*/Downgraded*)	NA	NA	03Jan2022	BWR A-(CE)Positive to Stable (Upgraded with change in Outlook)	NA	NA	31Dec2020	BWR BBB+(CE)Stable to Positive (Reaffirmation and change in Outlook)
		0.00	NA	NA	NA	24Feb2022	BWR A-(CE)Stable (Reaffirmation)	NA	NA	NA	NA
Non Fund Based	ST	2024.50	BWR A2 (ISSUER NOT COOPERATING*/Downgraded*)	NA	NA	03Jan2022	BWR A2+(CE) (Upgraded)	NA	NA	31Dec2020	BWR A2 (CE) (Reaffirmation)
		0.00	NA	NA	NA	24Feb2022	BWR A2+(CE) (Reaffirmation)	NA	NA	NA	NA
Grand Total		4469.50	(Rupees Four Thousand Four Hundred Sixty Nine Crores and Fifty lakhs Only)								

COMPLEXITY LEVELS OF THE INSTRUMENTS - Simple

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com / download / ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf). Investors queries can be sent to info@brickworkratings.com.

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Short Term Debt](#)
- [Criteria â€“ Credit Enhanced Ratings](#)
- [Ratings based on Government Support](#)
- [What Constitutes Non-Cooperation](#)

Analytical Contacts

Swarn Saurabh

Assistant Manager - Ratings
swarn.s@brickworkratings.com

Saakshi Kanwar

Associate Director - Ratings
saakshi.k@brickworkratings.com

1-860-425-2742 | media@brickworkratings.com

ITI Limited ANNEXURE-I

Details of Bank Facilities rated by BWR

SL.No.	Name of the Bank/Lender	Type Of Facilities	Long Term(Rs.Crs.)	Short Term(Rs.Crs.)	Total(Rs.Crs.)
1	Bank of Baroda	Cash Credit-Sanctioned	528.60	–	528.60
2	Bank of Baroda	Bank Guarantee-Sanctioned	–	760.03	760.03
3	Bank of Baroda	Letter of Credit-Sanctioned	–	289.40	289.40
4	Bank of Baroda	Covid -19 Emergency Line Credit-Sanctioned	2.69	–	2.69
5	Canara Bank	Covid -19 Emergency Line Credit-Sanctioned	80.00	–	80.00
6	Canara Bank	Letter of Credit-Sanctioned	–	8.60	8.60

SL.No.	Name of the Bank/Lender	Type Of Facilities	Long Term(Rs.Crs.)	Short Term(Rs.Crs.)	Total(Rs.Crs.)
7	Canara Bank	Bank Guarantee-Sanctioned	–	10.00	10.00
8	Canara Bank	Cash Credit-Sanctioned	77.40	–	77.40
9	Central Bank of India	Cash Credit-Sanctioned	44.00	–	44.00
10	Central Bank of India	Bank Guarantee-Sanctioned	–	1.00	1.00
11	Central Bank of India	Letter of Credit-Sanctioned	–	30.00	30.00
12	Indian Bank	Letter of Credit-Sanctioned	–	5.00	5.00
13	Indian Bank	Bank Guarantee-Sanctioned	–	5.00	5.00
14	Indian Bank	Cash Credit-Sanctioned	10.00	–	10.00
15	Punjab National Bank	Cash Credit-Sanctioned	46.00	–	46.00
16	Punjab National Bank	Bank Guarantee-Sanctioned	–	36.00	36.00
17	Punjab National Bank	Letter of Credit-Sanctioned	–	48.00	48.00
18	State Bank Of India (SBI)	Credit Exposure Limit (CEL)-Sanctioned	–	2.50	2.50
19	State Bank Of India (SBI)	Bank Guarantee-Sanctioned	–	290.00	290.00
20	State Bank Of India (SBI)	Letter of Credit-Sanctioned	–	109.00	109.00
21	State Bank Of India (SBI)	Cash Credit-Sanctioned	385.00	–	385.00
22	Un tied portion from consortium of banks	Cash Credit-Proposed	1217.31	–	1217.31
23	Un tied portion from consortium of banks	BG/ILC-Proposed	–	353.97	353.97
24	Union Bank of India	Letter of Credit-Sanctioned	–	55.00	55.00
25	Union Bank of India	Cash Credit-Sanctioned	54.00	–	54.00
26	Union Bank of India	Bank Guarantee-Sanctioned	–	21.00	21.00
Total			2445.00	2024.50	4469.50
TOTAL (Rupees Four Thousand Four Hundred Sixty Nine Crores and Fifty lakhs Only)					

Print and Digital Media

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