

Integrated Thermoplastics Limited

July 21, 2020

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	14.50	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Short-term Bank Facilities	6.50	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Total facilities	21.00 (Rupees Twenty One crore only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated May 24, 2019, placed the rating(s) of Integrated Thermoplastics Limited (ITL) under the 'issuer non-cooperating' category as ITL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. ITL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 30, 2020, May 29, 2020, June 30, 2020 & July 13, 2020. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings continue to take into account delays in debt servicing by the company.

Detailed description of the key rating drivers

At the time of last rating on May 24, 2019, the following were the rating strengths and weaknesses:

(Updated information taken from Bombay Stock Exchange (BSE) as it's a listed company)

Key rating weakness:

Delays in debt servicing: As per the due diligence undertaken by CARE and the audit report for FY19, there are continued delays in debt servicing and the account has been classified as Non-Performing Asset (NPA) by the lender.

Continuing losses despite increased revenue in FY19: Although, the total operating income of the company increased from Rs.52.90 crore in FY18 to Rs.73.61 crore in FY19, on account of increase in the sales volume of PVC pipes, the company registered net loss during FY19 of Rs.12.75 crore.

Key Rating strengths:

Experienced promoter group with established industry presence: ITL belongs to Nandi group, a South India based industrial house, promoted by Mr. S.P.Y Reddy. The company was originally promoted by Mr. Simon Joseph and Mr. S.V. Raghu. Later, during FY06, ITL was acquired by Nandi Group. Nandi Group of Industries has presence in diversified businesses such as cement, dairy, TMT bars, construction etc. in Andhra Pradesh/Telangana.

Analytical approach: Standalone.

Applicable Criteria:

[Policy in respect of Non-cooperation by issuer](#)

[CARE's Policy on Default Recognition](#)

[Criteria for Short term Instruments](#)

[Rating Methodology-Manufacturing Companies](#)

[Financial ratios – Non-Financial Sector](#)

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

About the Company

Integrated Thermoplastics Ltd (ITL), erstwhile Torrent Thermo-Plastics Limited, was originally promoted by Mr. Simon Joseph and Mr. S.V. Raghu. Later, during FY06, ITL was acquired by the Nandi Group of companies. ITL is engaged in the manufacturing of fabricate Polyvinyl Chloride (PVC) pipes and fittings, tubes, bends etc. (installed capacity of 15,000 MTPA) at its facilities located at Medak District (Telangana). Nandi group, promoted by Shri S.P.Y Reddy, is a South India based industrial house having diversified business interest such as cement, dairy, PVC pipes, construction etc.

Covenants of rated instrument/facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	52.90	73.61
PBILDT	3.16	-7.85
PAT	-1.58	-12.75
Overall gearing (times)	NM	NM
Interest coverage (times)	0.65	NM

A: Audited; NM: Not Meaningful

Status of non-cooperation with previous CRA: Not Applicable.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	7.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Letter of credit	-	-	-	6.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Term Loan	-	-	September, 2017	7.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	7.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (24-May-19)	-	1)CARE D; ISSUER NOT COOPERATING* (04-Jan-18)
2.	Non-fund-based - ST-Letter of credit	ST	6.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (24-May-19)	-	1)CARE D; ISSUER NOT COOPERATING* (04-Jan-18)
3.	Fund-based - LT-Term Loan	LT	7.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (24-May-19)	-	1)CARE D; ISSUER NOT COOPERATING* (04-Jan-18)

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable.

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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