



## Elgi Rubber Company Limited

Super A Unit • Coimbatore Private Industrial Estate • Kuruchi • Coimbatore 641 021 • India • CIN :L25119TZ2006PLC013144,  
+91 (422) 232 1000 • [info@in.elgirubber.com](mailto:info@in.elgirubber.com) • [www.elgirubber.com](http://www.elgirubber.com)

Ref: ERCL/SEC/2024/AUG/08

23<sup>rd</sup> August, 2024

The Manager - Listing,  
National Stock Exchange of India Limited,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra East, Mumbai - 400 051

Dear Sirs,

**Sub : Intimation regarding credit rating under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**  
**Symbol : ELGIRUBCO**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("Listing Regulations"), we would like to inform that the Company has received the following credit rating (downgraded) from Infomercs Valuation and Rating Private Limited on August 22, 2024, as per the rationale attached:

Type of Instrument / Facility	Amount (Rs. in crores)	New Rating Assigned	Previous Rating	Reason for downward revision in rating
Long term Bank Facilities	140.02	IVR BB+/INC Negative outlook (IVR Double B Plus with Negative Outlook)/(ISSUER NOT COOPERATING)	IVR BBB-/Negative outlook (IVR Triple B Minus with Negative Outlook)	Downward revision in rating and moved to INC category due to lack of adequate information available, non-payment of annual surveillance fees and uncertainty around its credit risk.
Short Term Bank Facilities	124.75	IVR A4+; ISSUER NOT CO-OPERATING (Pronounced as IVR A Four Plus; ISSUER NOT COOPERATING)	IVR A3 (IVR A Three)	However, the Company confirms that the Company's operations are normal and the financial position is healthy.
Fixed Deposit	12.00	IVR BB+/INC Negative outlook (IVR Double B Plus with Negative Outlook)/(ISSUER NOT COOPERATING)	IVR BBB-/Negative outlook (IVR Triple B Minus with Negative Outlook)	
<b>Total</b>	<b>276.77</b>			

Kindly take the above information on record.

Thank you,

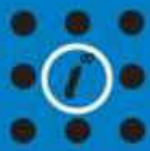
Yours faithfully,

**For Elgi Rubber Company Limited**

FAIZUR REHMAN  
ALLAUDEEN  
Digitally signed by FAIZUR REHMAN ALLAUDEEN  
Date: 2024.08.23 15:56:01 +05'30'

**Faizur Rehman Allaudeen**  
**Company Secretary & Compliance Officer**  
**Membership No. A70055**

Encl: As above



## Press Release

**ELGI Rubber Company Ltd**

**August 22, 2024**

Facilities	Amount (Rs. crore)	Current Ratings	Previous Rating	Rating Action	<u>Complexity</u>
Long Term Bank Facilities	140.02	IVR BB+/INC Negative outlook (IVR Double B Plus with Negative Outlook)/(ISSUER NOT CO-OPERATING)	IVR BBB-/Negative outlook (IVR Triple B Minus with Negative Outlook)	Downgraded & moved under ISSUER NOT COOPERATING category	Simple
Fixed Deposit	12.00	IVR BB+/INC Negative outlook (IVR Double B Plus with Negative Outlook)/(ISSUER NOT CO-OPERATING)	IVR BBB-/Negative outlook (IVR Triple B Minus with Negative Outlook)	Downgraded & moved under ISSUER NOT COOPERATING category	Simple
Short Term Bank facilities	124.75	IVR A4+; ISSUER NOT CO-OPERATING (Pronounced as IVR A Four Plus; ISSUER NOT CO-OPERATING) *	IVR A3 (IVR A Three)	Downgraded & moved under ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>276.77</b>	<b>(Rupees Two Hundred Seventy Six Crores and seventy Seven lakhs Only)</b>			

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

Details of Facilities/Instruments are in Annexure 1.

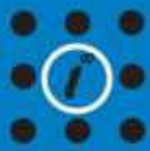
Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

### Detailed Rationale

Infomerics Ratings has downgraded its rating assigned to the bank facilities of ELGI Rubber Company Limited due to lack of adequate information available, non-payment of annual surveillance fees and uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its ratings and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using these ratings as the ratings may not adequately reflect the credit risk profile of the company.



## Press Release

### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned rating to the bank facilities, vide mail communications July 03, 2024, August 05, 2024 and August 12, 2024 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the Long/Short term ratings for the bank loan facilities of ELGI Rubber Company Limited aggregating to Rs. 276.77 crore shall be moved in the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+/Issuer Not Co-operating/ Negative Outlook & A4+/ Issuer Not Co-operating; Based on best available information.

### **Analytical Approach & Applicable Criteria**

Standalone

[Rating Methodology for manufacturing Company](#)

[Financial Ratios & Interpretation – \(Non-financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

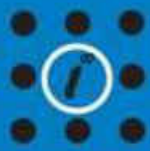
[Criteria for assigning rating outlook](#)

[Policy on Default recognition](#)

[Complexity level of rated instruments/Facilities](#)

### **About the company**

Elgi Rubber Company Limited (Elgi) was incorporated in October 2006 under the name of Elgi Aviation Tyres Limited and was renamed as Elgi Rubber Company Ltd effective April 7, 2011. Elgi manufactures reclaim rubber, tread rubber, bonding gum and other rubber products used in the Rubber Industry, predominantly in the Tyre sector and it also provides retreading services through a franchisee network. Elgi has six manufacturing units spread across Tamil Nadu and Kerala. The company also has seven wholly-owned subsidiaries and two step-down subsidiaries located in various countries, including the Netherlands, Brazil, Kenya, US,



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Bangladesh, Australia and Sri Lanka. The company is listed on National Stock Exchange (NSE).

### Financials (standalone):

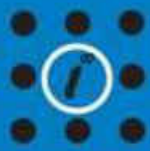
For the Year Ended/As on	31-03-2022	31-03-2023
	(Audited)	(Audited)
Total Operating Income	198.36	223.01
EBITDA	11.34	22.61
PAT	8.32	14.81
Total Debt	119.65	143.02
Tangible Net Worth	271.32	287.00
EBITDA Margin (%)	5.71%	10.14%
PAT Margin(%)	3.84%	6.08%
Overall Gearing Ratio (x)	0.44x	0.50x
Interest Coverage Ratio (x)	0.96x	1.35x

\*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

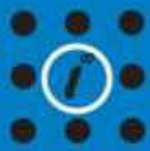
Any other information: Nil

Rating History for last three years:



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Sr. No.	Name of Instrument /Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years				
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 Dated : Feb 21, 2024	Date(s) & Rating(s) assigned in 2023-24 Dated : Oct 31, 2023	Date(s) & Rating(s) assigned in 2023-24 Dated : July 18, 2023	Date(s) & Rating(s) assigned in 2022-23 Dated :	Date(s) & Rating (s) assigned in 2021-22
1.	Fund Based Limits	Long Term	140.02	IVR BB+/INC Negative outlook (IVR Double B Plus with Negative Outlook)/(ISSUER NOT CO-OPERATING)	IVR BBB-/Negative outlook (IVR Triple B Minus with Negative Outlook	IVR BBB-/Stable outlook (IVR Triple B Minus with Stable Outlook	IVR BBB-/Stable outlook (IVR Triple B Minus with Stable Outlook	-	-
2.	Fixed Deposit	Long Term	12.00	IVR BB+/INC Negative outlook (IVR Double B Plus with Negative Outlook)/(ISSUER NOT CO-OPERATING)	IVR BBB-/Negative outlook (IVR Triple B Minus with Negative Outlook	IVR BBB-/Stable outlook (IVR Triple B Minus with Stable Outlook	-	-	-
3.	Fund Based Limit	Short Term	0.25	IVR A4+; ISSUER NOT CO-OPERATING (Pronounced as IVR A Four Plus; ISSUER NOT CO-OPERATING) *	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	-	-



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4.	Non Fund Based Limit	Short Term	124.50	IVR A4+; ISSUER NOT CO-OPERATING (Pronounced as IVR A Four Plus; ISSUER NOT CO-OPERATING) *	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)		
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**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

### Name and Contact Details of the Rating Analyst:

Name: Om Prakash Jain  
Tel: (011) 45579024  
Email: [opjain@infomerics.com](mailto:opjain@infomerics.com)

### About Infomerics:

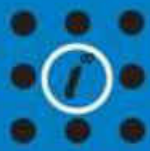
Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit [www.infomerics.com](http://www.infomerics.com)

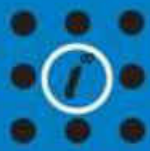


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**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Term Loan	-	-	Dec 2027	26.03	IVR BB+/INC Negative outlook (IVR Double B Plus with Negative Outlook)/(ISSUER NOT CO-OPERATING)
Long Term Bank Facilities – Term Loan			May 2028	20.62	IVR BB+/INC Negative outlook (IVR Double B Plus with Negative Outlook)/(ISSUER NOT CO-OPERATING)
Long Term Bank Facilities – Term Loan			Nov 2026	8.37	IVR BB+/INC Negative outlook (IVR Double B Plus with Negative Outlook)/(ISSUER NOT CO-OPERATING)
Long Term Bank Facilities – Term Loan			June 2028	45.00	IVR BB+/INC Negative outlook (IVR Double B Plus with Negative Outlook)/(ISSUER NOT CO-OPERATING)
Long Term Bank Facilities – Working capital				40.00	IVR BB+/INC Negative outlook (IVR Double B Plus with Negative Outlook)/(ISSUER NOT CO-OPERATING)



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Fixed Deposit	-	-	-	12.00	IVR BB+/INC Negative outlook (IVR Double B Plus with Negative Outlook /(ISSUER NOT CO- OPERATING)
Short Term Bank Facilities – Fund Based facilities	-	-	-	0.25	IVR A4+; ISSUER NOT CO- OPERATING (Pronounced as IVR A Four Plus; ISSUER NOT CO- OPERATING)
Short Term Bank Facilities – Non- Fund Based facilities				124,50	IVR A4+; ISSUER NOT CO- OPERATING (Pronounced as IVR A Four Plus; ISSUER NOT CO- OPERATING)

**Annexure 2: Facility wise lender details: Not Applicable**

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable Annexure**

**Annexure 4 : List of companies considered for consolidated/Combined analysis: Not Applicable**

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com)