



## Press Release

### Shyam Indofab Private Limited

October 17, 2022

#### Ratings

Facility/Instrument	Amount (Rs. Crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	159.01	IVR D (IVR Single D)	Revised from IVR BB; Stable (IVR Double B with Stable Outlook)	Simple
Short Term Bank Facilities	22.24	IVR D (IVR Single D)	Revised from IVR A4 (IVR A Four)	Simple
<b>Total</b>	<b>181.25</b>			

Details of Facilities are in Annexure 1

#### Detailed Rationale

Infomerics has revised the ratings assigned to the bank facilities of Shyam Indofab Private Limited (SIPL) due to ongoing delays in servicing of debt obligation by the company.

#### Key Rating Sensitivities:

##### Upward factors

- Regularization of ongoing delays

##### Downward Factors

- NA

#### List of Key Rating Drivers with Detailed Description

##### Key Rating Weaknesses

- Ongoing delays

The company has ongoing delays in its debt service obligations due to its stretched liquidity position attributable to significant increase in raw material prices and inability to pass on the same to its customers leading to cash flow mismatches.

**Analytical Approach:** Standalone

##### **Applicable Criteria:**

[Criteria on Default Recognition and Post-Default Curing Period](#)

[Rating Methodology for Manufacturing Companies](#)

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



## Press Release

### Liquidity: Poor

The liquidity of the company remained poor marked by ongoing delays.

### About the Company

Shyam Indofab Private Limited (SIPL), incorporated on January 19, 2012, is promoted by Mr Sandeep Gupta. The company began commercial operations in November 2016. SIPL is engaged in knitting of fabric and installed its manufacturing unit at Amravati in Maharashtra with installed capacity of 7200 MTPA. However, the corporate office is located in Haryana.

SIPL is specialize in handling re-generated fibres like modal, viscose, polyester, bamboo, organic cotton, linen, and their blends. Currently, Mr. Sandeep Gupta, along with other two directors, is at the helm of affairs of the company along with a team of experienced personnel.

### Financials of SIPL (Standalone):

For the year ended* / As On	(Rs. crore)	
	31-03-2020	31-03-2021
	Audited	Provisional
Total Income	164.31	105.01
EBITDA	22.80	2.41
PAT	0.18	-21.45
Total Debt	126.22	159.57
Tangible Net worth	57.59	36.92
EBITDA Margin (%)	13.88	2.30
PAT Margin (%)	0.11	-20.36
Overall Gearing Ratio (x)	2.41	4.66

\*Classification as per Infomerics' standards.

**Status of non-cooperation with previous CRA:** India ratings maintains the ratings into Issuer not cooperating category vide its PR dated March 30,2021 due to non-submission of information by the client.

**Any other information:** Nil



## Press Release

Rating History for last three years:

(Rs. Crore)

Sr. No.	Name of Instrument/ Facilities	Current Rating (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Cr.)	Rating	Date(s) & Rating(s) assigned in 2021-22 (Dec 09, 2022)	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Term Loan	Long Term	56.32	IVR D	IVR BB; Stable	-	-
2.	Cash Credit	Long Term	75.00	IVR D	IVR BB; Stable	-	-
3.	GECL	Long Term	23.95	IVR D	IVR BB; Stable	-	-
4.	CECL	Long Term	3.17	IVR D	IVR BB; Stable	-	-
5.	WCTL (CELC)	Long Term	0.57	IVR D	IVR BB; Stable	-	-
6.	LC	Short Term	19.60	IVR D	IVR A4	-	-
7.	BG	Short Term	2.64	IVR D	IVR A4	-	-

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

Name: Mr. Sanmoy Lahiri

Tel: (033) 46022266

Email: [slahiri@infomerics.com](mailto:slahiri@infomerics.com)

Name: Mr. Avik Podder

Tel: (033) 46022266

Email: [apodder@infomerics.com](mailto:apodder@infomerics.com)

### About Infomerics Ratings:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

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

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



## Press Release

**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, suspend 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. Cr)	Rating Assigned/ Outlook
Long Term Fund Based Limits – Term Loan	-	-	March 2028	56.32	IVR D
Long Term Fund Based Limits - Cash Credit	-	-	-	75.00	IVR D
Long Term Fund Based Limits - GECL	-	-	January 2026	23.95	IVR D
Long Term Fund Based Limits – CECL	-	-	July 2023	3.17	IVR D
Long Term Fund Based Limits - WCTL (CELC)	-	-	June 2022	0.57	IVR D
Short Term Non-Fund Based Limits- LC	-	-	-	19.60	IVR D
Short Term Non-Fund Based Limits- BG	-	-	-	2.64	IVR D

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-Shyam-Indofab-oct22.pdf>

**Annexure 3: List of companies considered for consolidated analysis:** Not Applicable

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** 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).