



Press Release

Indian Acrylics Limited

August 21st, 2023

Ratings

Instrument / Facility	Amount (Rs. crore)	Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	112.45	IVR D (Single D)	Revised	Simple
Short Term Bank Facilities	154.00	IVR D (Single D)	Revised	Simple
Total	266.45	(Rupees Two Hundred Sixty-Six crore and Forty Five lakh Only)		

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in ratings takes into account the ongoing delays in servicing of debt obligations as confirmed by the banker. The delays are majorly due to non-repayment of instalment of GECL.

Key Rating Sensitivities:

Upward Factors

- Continuous timely servicing of debt obligations for at least 90 days.

Analytical Approach: Standalone.

Applicable Criteria:

[Rating Methodology for manufacturing Company](#)

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

[Criteria on assigning rating outlook](#)

[Default recognition Policy](#)

About the Company

Incorporated in 1986, by Mr. R K Garg of Punjab, IAL is engaged in manufacturing of acrylic fibre and yarn and started its operations from 1993. The company has the largest acrylic fibre



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manufacturing facility in India located in Sangrur, Punjab with an installed capacity of 45,000 MT. IAL sells acrylic fibre to all major spinning mills engaged in acrylic yarn manufacturing in India and also exports to many countries. To diversify its operations the company has gradually started manufacturing of acrylic yarns in 2014 and has gradually increase its installed capacity to 55268 spindles for manufacturing worsted and modified cotton. IAL mostly manufactured dyed yarn (~80% of its total yarn production) and the product manufactured by the company are used for knitting, hosiery, weaving and for manufacturing blankets, rugs and carpets. IAL has a subsidiary named as Carlit Trading Europe S.L.U. (Spain) which is engaged in trading operations in Europe.

Financials (Standalone):

(Rs. Crore)

For the year ended*/ As on	31-03-2022	31-03-2023
	Audited	Audited
Total Operating Income	622.73	902.37
EBITDA	-18.46	64.72
PAT	-76.07	19.20
Total Debt	114.67	87.20
Tangible Net Worth	165.70	90.94
EBITDA Margin (%)	-2.96	7.17
PAT Margin (%)	-12.19	2.11
Overall Gearing Ratio (x)	0.69	1.96

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: None

Any other information: Not Applicable

Rating History for last three years:



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Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (Nov 28, 2022)	Date(s) & Rating(s) assigned in 2021-22 (Sep 10, 2021)	Date(s) & Rating(s) assigned in 2020-21 (May 21, 2020)
1.	Cash Credit	Long Term	30.00	IVR D	IVR BB+; Stable	IVR BB+; Stable	IVR BB (INC*)
2.	Term Loan	Long Term	82.45	IVR D	IVR BB+; Stable	IVR BB+; Stable	IVR BB (INC*)
3.	Letter of Credit	Short Term	154.00	IVR D	IVR A4+	IVR A4+	IVR A4 (INC*)

**Issuer not cooperating; Based on best available information*

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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



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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	30.00	IVR D
Term Loan	-	-	June 2027	82.45	IVR D
Letter of Credit	-	-	-	154.00	IVR D

Annexure 2: List of companies considered for consolidated analysis: Not Applicable.

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-ial-aug23.pdf>

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.