



Press Release

Indian Acrylics Limited

May 21th, 2021

Rating:

Facilities	Amount (INR Crore)	Current Ratings	Rating Action
Long Term Fund Based Facilities	125.10	IVR BB(INC)*; (IVR Double B Plus) ISSUER NOT COOPERATING*	Rating downgraded from IVR BB+/Stable and moved to ISSUER NOT COOPERATING
Short Term Non-Fund Based Facilities	214.25	IVR A4(INC)*; (IVR A Four) ISSUER NOT COOPERATING*	Rating downgraded from IVR A4+ and moved to ISSUER NOT COOPERATING
Total	339.35		

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

Details of Facility are in Annexure 1

Detailed Rationale

The rating downgrade is because of lack of adequate information regarding Indian Acrylics Limited performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated February 04, 2021 & March 18, 2021 & April 28, 2021 & May 11, 2021 and concurrently over several



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phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details and fees for surveillance exercise.

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-term ratings for the bank loan facilities aggregating to INR 125.10 Crore of Indian Acrylics Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB: Issuer Not Co-operating; based on best available information (IVR Double B: Issuer Not Co-operating); based on best available information.

Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach & Applicable Criteria

Standalone

Financial Ratios & Interpretation (Non-Financial Sector)

Rating Methodology for Manufacturing Companies

Guidelines on what constitutes Non-Cooperation by clients

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. To diversify its operations the company has gradually started manufacturing of acrylic yarns in 2014 and has gradually increase its installed capacity to 54,992 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. However, the company has no major operations as of now. The company belongs to the Steel Strips group of companies which is engaged in the manufacturing of automobile wheels, acrylic fibre and civil construction through various companies under its folds.



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Financials (Standalone)

(INR Crore)

For the year ended*/As on	31-03-2018	31-03-2019
	Audited	Audited
Total Operating Income	525.00	733.41
EBITDA	38.67	32.29
PAT	8.84	11.60
Tangible Net worth	120.27	129.79
Adjusted Tangible Net worth	120.27	228.98
EBITDA Margin (%)	7.36	4.40
PAT Margin (%)	1.66	1.57
Overall Gearing Ratio (x)	1.70	0.46

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:

S. No	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
1.	Cash Credit	Long Term	30.00	IVR BB and Issuer Not Cooperating	-	IVR BB+/Stable	-
2	Term Loan	Long Term	95.10	IVR BB and Issuer Not Cooperating	-	IVR BB+/Stable	-
3.	LC	Short Term	213.25	IVR A4(INC)	-	IVR A4+	-
4.	BG	Short Term	1.00	IVR A4(INC)	-	IVR A4+	-

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.



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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

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.



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Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities - CC	-	-	-	30.00	IVR BB and Issuer Not Cooperating
Long Term Bank Facilities - Term Loan	-	-	March 2026	95.10	IVR BB and Issuer Not Cooperating
Short Term Bank Facilities – LC	-	-	-	213.25	IVR A4(INC)
Short Term Bank Facilities – BG	-	-	-	1.00	IVR A4(INC)

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