



## Press Release

### Indian Acrylics Limited

October 14<sup>th</sup>, 2024

#### Ratings

| Instrument / Facility      | Amount (Rs. crore) | Current Ratings  | Previous Ratings     | Rating Action  | <u>Complexity Indicator</u> |
|----------------------------|--------------------|--|----------------------|--|-----------------------------|
| Long Term Bank Facilities  | 112.45             | IVR D; ISSUER NOT COOPERATING* [IVR Single D; Issuer Not Cooperating*] | IVR D [IVR Single D] | Reaffirmed and migrated to Issuer not cooperating category | <u>Simple</u>               |
| Short Term Bank Facilities | 154.00             | IVR D; ISSUER NOT COOPERATING* [IVR Single D; Issuer Not Cooperating*] | IVR D [IVR Single D] | Reaffirmed and migrated to Issuer not cooperating category | <u>Simple</u>               |
| <b>Total</b>               | <b>266.45</b>      | <b>(Rupees Two Hundred Sixty-Six crore and Forty Five lakh 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 reaffirmed its long-term ratings and short-term ratings assigned to the bank facilities of Indian Acrylics Limited and migrated under “ISSUER NOT COOPERATING” category due to non-submission of information and lack of management corporation.

The aforesaid rating action to the bank facilities of Indian Acrylics Limited reflects lack of adequate information available about the performance of the company and hence the uncertainty around its credit risk. Infomerics Ratings assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

Infomerics Ratings has rated the bank loan facilities of Indian Acrylics Limited dated August 2023. Despite close follow up through telephone calls and mails dated August 20, August 28, August 30, September 09, September 10, September 17 and September 18, 2024, and



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concurrently over multiple phone calls for submission of required information for review and failure to submit minimum required information for a review is considered as an act of non-cooperation. In the absence of adequate information from the company, Infomerics Ratings is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating. 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. Based upon the same Infomerics Ratings has reaffirm the rating, and the long-term rating will be IVR D; ISSUER NOT COOPERATING, and short-term rating will be IVR D; ISSUER NOT COOPERATING for short-term bank facilities and migrate the same under the 'ISSUER NOT COOPERATING' category of Indian Acrylics Limited.

### **Non-Cooperation by Issuer:**

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics Ratings has to assign the rating based on the best available information. Accordingly, the bank loan facilities of Indian Acrylics Limited., aggregating to Rs 266.45 crore have been migrated under the 'ISSUER NOT COOPERATING' category and the rating for long term and short term be noted as 'IVR D; ISSUER NOT COOPERATING by IVR based on best available information.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Rating Methodology for Manufacturing Companies](#)

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

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

[Criteria for assigning rating outlook](#)

[Instrument/Facility wise Default Recognition & Post-Default Curing Period](#)

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

**Liquidity** – Unable to comment due to lack of adequate information.



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### 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 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):**

| For the year ended / As on | (Rs. crore)             |                         |
|----------------------------|-------------------------|-------------------------|
|                            | 31-03-2023<br>(Audited) | 31-03-2024<br>(Audited) |
| Total Operating Income     | 909.50                  | 554.58                  |
| EBITDA                     | 19.2                    | -6.26                   |
| PAT                        | 19.21                   | -54.05                  |
| Total Debt                 | 178.07                  | 183.58                  |
| Tangible Net worth         | 92.19                   | 37.90                   |
| <b>Ratios</b>              |                         |                         |
| EBIDTA Margin (%)          | 2.11                    | -1.13                   |
| PAT Margin (%)             | 2.11                    | -9.75                   |
| Overall Gearing Ratio (x)  | 2.93                    | 4.84                    |
| Interest Coverage (Times)  | 0.52                    | -0.19                   |

*\* Classification as per Infomerics' standards.*

**Status of non-cooperation with previous CRA:** None.

**Any other information:** Not Applicable



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### Rating History for last three years:

| Sr. No. | Name of Security/Facilities          | Current Ratings (Year 2024-2025) |                                |                                | Rating History for the past 3 years     |   |   |
|---------|--------------------------------------|----------------------------------|--------------------------------|--------------------------------|---|---|---|
|         |                                      | Type                             | Amount outstanding (Rs. Crore) | Rating                         | Date(s) & Rating(s) assigned in 2023-24 | Date(s) & Rating(s) assigned in 2022-23 | Date(s) & Rating(s) assigned in 2021-22   |
|         |                                      |                                  |                                |                                | Aug 21st, 2023                          | Nov 28 <sup>th</sup> , 2022             |   |
| 1.      | Long Term Fund based facilities      | Long Term                        | 112.45                         | IVR D; ISSUER NOT COOPERATING* | IVR D                                   | IVR BB+/Stable                          | (Sep 10 <sup>th</sup> , 2021)<br>IVR BB+/Stable<br><br>(May 21 <sup>st</sup> , 2021)<br>IVR BB; INC |
| 2.      | Short Term Non Fund based facilities | Short Term                       | 154.00                         | IVR D; ISSUER NOT COOPERATING* | IVR D                                   | IVR A4+                                 | (Sep 10 <sup>th</sup> , 2021)<br>IVR A4+<br><br>(May 21 <sup>st</sup> , 2021)<br>IVR A4; INC        |

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

### Analytical Contacts:

Name: Vipin Jindal

Tel: (011) 45579024

Email: [vipin.jindal@infomerics.com](mailto:vipin.jindal@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



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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 and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

**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: Instrument/Facility Details

| Name of Facility/<br>/Security | ISIN | Date of<br>Issuance | Coupon<br>Rate/ IRR | Maturity<br>Date | Size of<br>Facility<br>(Rs. Crore) | Rating<br>Assigned/<br>Outlook       |
|--------------------------------|------|---------------------|---------------------|------------------|------------------------------------|--------------------------------------|
| Cash Credit                    | -    | -                   | -                   | -                | 30.00                              | IVR D; ISSUER<br>NOT<br>COOPERATING* |
| Term Loan                      | -    | -                   | -                   | June<br>2027     | 82.45                              | IVR D; ISSUER<br>NOT<br>COOPERATING* |
| Letter of Credit               | -    | -                   | -                   | -                | 154.00                             | IVR D; ISSUER<br>NOT<br>COOPERATING* |

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**Annexure 2: Facility wise lender details:**

<https://www.infomerics.com/admin/prfiles/Len-Indian-Acrylics-14oct24.pdf>

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

**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).

