



**Press Release**  
**SARLA PERFORMANCE FIBERS LIMITED**  
**February 03, 2025**  
**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE BB+   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	215.00	-	ACUITE A4+   Downgraded   Issuer not co-operating*
<b>Total Outstanding Quantum (Rs. Cr)</b>	225.00	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	0.00	-	-

\* The issuer did not co-operate; based on best available information.

**Rating Rationale**

Acuite has downgraded its long-term rating to 'ACUITE BB+' (read as ACUITE double B plus) from 'ACUITE A-' (read as ACUITE A minus) and the short-term rating to 'ACUITE A4+' (read as ACUITE A four plus) from 'ACUITE A2+' (read as ACUITE A two plus) on the Rs.225.00 crore bank facilities of Sarla Performance Fibers Limited (SPFL).

This rating is now flagged as issuer not cooperating on account of information risk and is based on best available information. The rating has been downgraded on account of information risk.

**About the Company**

Mumbai- based, SPFL, incorporated in 1993 is engaged in the manufacturing of specialized high tenacity yarns. The overall operations of the company is managed by Mr. Krishnakumar Jhunjhunwala. The yarn manufactured by the company is used in the manufacturing of automotive seat belts and trims, airbags, upholstery, dress, casual & athletic footwear, leather goods, soft luggage, lingerie, swimwear and sportswear. The company has two yarn manufacturing unit located in Silvassa, one dyeing unit at Vapi and one HT twisting unit at Dadra. The company also has Partially Oriented Yarn (POY) manufacturing unit in USA through its subsidiary; however same has been shut since December 2017.

**About the Group**

The company has two wholly owned subsidiaries under the name of Sarla Overseas Holdings Limited (SOHL) in the British Virgin Islands and Sarla Flex Incorporated, in the United States of America and one step down subsidiary Sarla Europe LDA at Portugal. The company caters to the North and Central American market through its US based subsidiary, SOHL and caters to Europe and South American markets through Portugal based step-down subsidiaries.

**Unsupported Rating**

Not applicable

**Non-cooperation by the issuer/borrower**

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as “Issuer not-cooperating”, in line with prevailing SEBI regulations and Acuité’s policies.

**Limitation regarding information availability**

This rating is based on information available from sources other than the issuer / borrower (in the absence of

information provided by the issuer / borrower) . Acuite endeavoured to gather information about the entity/industry from the public domain. Any rating with the suffix 'Issuer not cooperating' is assigned without any management interaction with the issuer entity or any data / information from the entity. Sometimes this non co-operation by a rated entity may be due to a result of deterioration in the credit risk profile of the entity. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

**Rating Sensitivities**

"No information provided by the issuer / available for Acuite to comment upon."

**Liquidity Position**

"No information provided by the issuer / available for Acuite to comment upon."

**Outlook**

Not applicable

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	383.95	389.20
PAT	Rs. Cr.	32.72	21.38
PAT Margin	(%)	8.52	5.49
Total Debt/Tangible Net Worth	Times	0.32	0.28
PBDIT/Interest	Times	13.56	13.80

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
13 Nov 2023	PC/PCFC	Long Term	10.00	ACUITE A-   Stable (Downgraded from ACUITE A   Stable)
	PC/PCFC	Short Term	31.00	ACUITE A2+ (Downgraded from ACUITE A1)
	PC/PCFC	Short Term	35.00	ACUITE A2+ (Downgraded from ACUITE A1)
	Letter of Credit	Short Term	20.00	ACUITE A2+ (Downgraded from ACUITE A1)
	Letter of Credit	Short Term	30.00	ACUITE A2+ (Downgraded from ACUITE A1)
	Letter of Credit	Short Term	20.00	ACUITE A2+ (Downgraded from ACUITE A1)
	Letter of Credit	Short Term	39.00	ACUITE A2+ (Downgraded from ACUITE A1)
	PC/PCFC	Short Term	40.00	ACUITE A2+ (Downgraded from ACUITE A1)
17 Mar 2023	PC/PCFC	Long Term	10.00	ACUITE A   Stable (Reaffirmed)
	PC/PCFC	Short Term	31.00	ACUITE A1 (Reaffirmed)
	PC/PCFC	Short Term	35.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	20.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	30.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	20.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	39.00	ACUITE A1 (Reaffirmed)
	PC/PCFC	Short Term	40.00	ACUITE A1 (Reaffirmed)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of Bahrain and Kuwait	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A4+   Downgraded   Issuer not co-operating* ( from ACUITE A2+ )
Indusind Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A4+   Downgraded   Issuer not co-operating* ( from ACUITE A2+ )
P T Bank Maybank Indonesia (Formerly, Bank International Indonesia)	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A4+   Downgraded   Issuer not co-operating* ( from ACUITE A2+ )
Standard Chartered Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	39.00	Simple	ACUITE A4+   Downgraded   Issuer not co-operating* ( from ACUITE A2+ )
HDFC Bank Ltd	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A4+   Downgraded   Issuer not co-operating* ( from ACUITE A2+ )
CITI Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	31.00	Simple	ACUITE A4+   Downgraded   Issuer not co-operating* ( from ACUITE A2+ )
Bank of Bahrain and Kuwait	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BB+   Downgraded   Issuer not co-operating* ( from ACUITE A- )
DBS Bank Ltd	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A4+   Downgraded   Issuer not co-operating* ( from ACUITE A2+ )

\* The issuer did not co-operate; based on best available information.

### \*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr No	Name of the entity
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1	Sarla Performance Fibers Limited
2	Sarla Overseas Holdings Limited
3	Sarlaflex Inc
4	Sarla Europe LDA

## Contacts

Mohit Jain Senior Vice President-Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Divya Bagmar Analyst-Rating Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@acuite.in</a>

### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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