

Press Release

Sintex Industries Limited (SIL)

31 October, 2017



Rating Withdrawn

Total Bank Facilities Rated*	Rs.700.00 Cr
Long Term Rating	SMERA AA+/Stable (Removed from rating watch and rating withdrawn)

*Refer Annexure for details

Rating Rationale

SMERA has withdrawn the rating of '**SMERA AA+/Stable**' (**read as SMERA double A plus – Outlook: Stable**) assigned to the Rs. 500.00 crore proposed non convertible debentures (NCDs) and on the Rs. 200.00 crore NCDs of Sintex Industries Limited (SIL). The rating stands withdrawn with immediate effect as Rs. 200.00 crore NCDs have been transferred to Sintex BAPL Limited, as per the scheme of demerger and Rs. 500.00 crore proposed NCDs are not issued and are not proposed to be issued in SIL as certified by the management.

About the Rated Entity

SIL, incorporated in 1931, is a Gujarat-based company engaged in the manufacture of yarn and plastic products at Kalol, Gujarat. The company is headed by Mr. Rahul Patel (Group MD), Mr. Amit Patel (Group MD), Mr. S. B. Dangayach (MD) among others. It commenced textile operations in 1931 and subsequently ventured into manufacturing of plastic products in 1975.

On a consolidated basis, for FY2015-16, SIL reported net profit after tax (PAT) of Rs.628.42 crore on operating income of Rs.7,733.53 crore as against PAT of Rs.528.81 crore on operating income of Rs.7,006.61 crore.

About the Demerger

As per the composite scheme of arrangement for the demerger with effect from April 01, 2016, the 'Custom Moulding Business' and the 'Prefab Business' of SIL demerged to Sintex – BAPL Limited and Sintex Infra Projects Limited, respectively. Each is a wholly owned subsidiary of Sintex Plastics Technology Limited, while the textile business continues to be in SIL.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for the last three years:

Date	Name of Instrument /Facilities	Term	Amount (Rs. crore)	Ratings/Outlook
17-Oct, 2016	Non-convertible Debentures (Proposed)	Long Term	500.00	SMERA AA+ (Under rating watch with developing implications)
	Non-convertible Debentures	Long Term	200.00	SMERA AA+ (Under rating watch with developing implications)
19-Aug, 2016	Non-convertible Debentures (Proposed)	Long Term	500.00	SMERA AA+/Stable (Assigned)
	Non-convertible Debentures	Long Term	200.00	SMERA AA+/Stable (Reaffirmed)
26-Apr, 2016	Non-convertible Debentures (Proposed)	Long Term	200.00	SMERA AA+/Stable (Assigned)

***Annexure – Details of instruments rated:**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs Crore)	Ratings/ Outlook
Non-convertible Debentures (Proposed)	NA	NA	NA	500.00	SMERA AA+/Stable (Removed from rating watch and rating withdrawn)
Non-convertible Debentures	May 2016	9.36	May 27, 2026	200.00	SMERA AA+/Stable (Removed from rating watch and rating withdrawn)

Note on complexity levels of the rated instrument: <https://www.smera.in/criteria-complexity-levels.htm>

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ABOUT SMERA

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