

Press Release

Unitec Fibres Private Limited

November 04, 2022



Rating Downgraded & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	37.35	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*	-
Bank Ratings Loan	5.00	-	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	42.35	-	-

Rating Rationale

Acuite has downgraded & withdrawn the long-term rating to “ACUITE BB+” (read as ACUITE Double B plus) from ‘ACUITE BBB-’ (read as ACUITE triple B minus) and its short term rating to “ACUITE A4+” (read as ACUITE A four plus) from ‘ACUITE A3’ (read as ACUITE A three) on the Rs.42.35 Cr. bank facilities of ‘Unitec Fibres Private Limited (UFPL)’. The rating withdrawal is in accordance with Acuite’s policy on withdrawal of rating. The rating is being withdrawn on account of request received from the company and NOC received from the banker. The rating has been downgraded on account of information risk. This rating is now an indicative rating.

About the Company

Incorporated in 2005, UFPL is a Mumbai based company and is engaged in manufacturing Recycled Polyester Staple Fibre (RPSF) from PET bottles. The product is utilized as main component for non-woven, spinning, carpets, clothing, textiles, automobile interior decoration and food processing industry. The company also exports the same to Germany, USA, Brazil, UAE, Morocco, Vietnam and Bangladesh. In addition to this, the company has also been deriving marginal portion of revenue from the trading of polyester staple fiber (PSF)

Non-cooperation by the issuer/borrower

Acuite 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 due date. Acuite believes that information risk is a critical component in such ratings, and non - cooperation by the issuer along with 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

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. 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.

Material Covenants

None.

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 21 (Provisional)	FY 20 (Actual)
Operating Income	Rs. Cr.	99.35	156.25
PAT	Rs. Cr.	0.50	2.49
PAT Margin	(%)	0.50	1.60
Total Debt/Tangible Net Worth	Times	0.70	0.72
PBDIT/Interest	Times	2.44	3.75

Key Financials:

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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. Acuite'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. In order to inform the investors about complexity of

instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' 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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
26 Aug 2021	Cash Credit	Long Term	18.00	ACUITE BBB- Stable (Reaffirmed)
	Bills Discounting	Short Term	5.00	ACUITE A3 (Assigned)
	Term Loan	Long Term	5.27	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	4.59	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	4.49	ACUITE BBB- Stable (Assigned)
17 Mar 2020	Working Capital Term Loan	Long Term	5.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	7.70	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	5.35	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	18.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
02 Jan 2020	Term Loan	Long Term	23.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	3.71	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	2.46	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	0.83	ACUITE BB+ (Downgraded and Issuer not co-operating*)
29 Oct 2018	Term Loan	Long Term	2.46	ACUITE BBB- Negative (Downgraded from ACUITE BBB)
	Term Loan	Long Term	3.71	ACUITE BBB- Negative (Downgraded from ACUITE BBB)
	Term Loan	Long Term	23.00	ACUITE BBB- Negative (Downgraded from ACUITE BBB)
	Cash Credit	Long Term	0.83	ACUITE BBB- Negative (Downgraded from ACUITE BBB)
30 Jun 2018	Cash Credit	Long Term	13.00	ACUITE BBB (Issuer not co-operating*)
	Term Loan	Long Term	0.66	ACUITE BBB (Issuer not co-operating*)
	Term Loan	Long Term	6.48	ACUITE BBB (Issuer not co-operating*)
	Proposed Term Loan	Long Term	5.94	ACUITE BBB (Issuer not co-operating*)

	Term Loan	Long Term	3.92	ACUITE BBB (Issuer not co-operating*)
12 May 2017	Term Loan	Long Term	0.66	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	6.48	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	3.92	ACUITE BBB Stable (Assigned)
		Long		
	Cash Credit	Term	13.00	ACUITE BBB Stable (Assigned)
	Proposed Long Term Loan	Long Term	5.94	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Kotak Mahindra Bank	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	18.00	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Term Loan	Jul 1 2020 12:00AM	7.90	Jul 31 2026 12:00AM	5.27	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Term Loan	Dec 1 2019 12:00AM	7.90	May 31 2025 12:00AM	4.59	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Working Capital Term Loan	Nov 1 2020 12:00AM	8.0	Nov 30 2024 12:00AM	4.49	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Working Capital Term Loan	Jul 1 2021 12:00AM	8.0	Aug 31 2026 12:00AM	5.00	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Himanshu . Senior Analyst-Rating Operations Tel: 022-49294065 himanshu.mehta@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.