Press Release

United Techfab Private Limited

January 16, 2019

Rating Update

Total Bank Facilities Rated*	Rs.28.35 Cr.#
Long Term Rating	ACUITE BBB- Issuer not co-operating*
Short Term Rating	ACUITE A3 Issuer not co-operating*

#Refer Annexure for details
**The issuer did not co-operate; based on best available information.*

Rating Rationale

Acuité has reviewed the long-term rating of **'ACUITE BBB-' (read as ACUITE triple B minus)** and short term rating of **'ACUITE A3' (read as ACUITE A three)** on the Rs.28.35 crore bank facilities of United Techfab Private Limited. This rating is now an indicative rating and is based on best available information.

United Techfab Private Limited (UTPL) is an Ahmedabad-based company incorporated in 2012 by Mr Mittal and family. The company manufactures grey denim fabric. It derives around 58 percent sales from job work activity and the remaining from manufacturing and trading. The company undertakes job work for its group company, Vinod Denim Limited and sells its products to local textile manufacturers and traders in the domestic market. The raw material is procured from the local market.

Vinod Group Textiles (VGT), established in 1983 is engaged in the spinning, weaving, processing and trading of textile products and has diversified products including yarn, grey fabric, denim fabric etc. The group undertakes manufacturing, job work and trading in the above activities. Manufacturing contributes around 82 percent to the total revenue, with job work bringing in around 14 percent and the remaining from trading. The group comprises Vinod Denim Limited (VDL), Vinod Fabrics Private Limited (VFPL), United Polyfab Private Limited (UPPL), United Polyfab Gujarat Limited (UPGL), Vinod Spinners Private Limited (VSPL) and Vinod Cotfab Private Limited (VCFPL) and United Techfab Private Limited (UTPL). The group was promoted by Mr Mittal and family and has presence of over three decades in the textile industry.

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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition -https://www.acuite.in/view-rating-criteria-17.htm
- Manufacturing Entities - https://www.acuite.in/view-rating-criteria-4.htm
- Consolidation Of Companies - https://www.acuite.in/view-rating-criteria-22.htm

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 endeavoured 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.

About the Rated Entity - Key Financials

	Unit	FY17 (Provisional)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	340.94	289.22	231.00
EBITDA	Rs. Cr.	36.70	24.48	16.13
PAT	Rs. Cr.	5.01	4.36	2.25
EBITDA Margin	(%)	10.76	8.46	6.98
PAT Margin	(%)	1.47	1.51	0.98
ROCE	(%)	7.61	7.37	6.24
Total Debt/Tangible Net Worth	Times	1.69	1.67	1.63
PBDIT/Interest	Times	3.68	4.16	5.07
Total Debt/PBDIT	Times	4.70	4.68	4.89
Gross Current Assets (Days)	Days	91	69	67

Status of non-cooperation with previous CRA (if applicable)

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.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
17-Nov-2017	Cash Credit	Long Term	2.00	ACUITE BBB- / Stable (Assigned)
	Term loans	Long Term	25.35	ACUITE BBB- / Stable (Assigned)
	Bank guarantee/Letter of Guarantee	Short Term	1.00	ACUITE A3 (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
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE BBB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	25.35	ACUITE BBB- Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A3 Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:
Acuité Ratings & Research Limited *(Erstwhile SMERA Ratings Limited)* is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.