

**Press Release**  
**United Polyfab Gujarat Limited**

January 16, 2019

**Rating Update**



<b>Total Bank Facilities Rated*</b>	Rs.140.00 Cr.#
<b>Long Term Rating</b>	ACUITE BBB- Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A3 Issuer not co-operating*

#Refer Annexure for details

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

**Rating Rationale**

Acuite 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.140.00 crore bank facilities of United Polyfab Gujarat Limited. This rating is now an indicative rating and is based on best available information.

The Ahmedabad-based United Polyfab Gujarat Limited (UPGL) incorporated in 2010 was promoted by Mr Mittal and family. The company is engaged in the manufacturing of grey cloth fabric and derives around 77 percent sales from manufacturing and the remaining from job work activity. The company sells its products to local textile manufacturers and traders in the domestic market. The raw material (i.e. cotton yarn, synthetic yarn and others) 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:** 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.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite'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). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite 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**

Acuite 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
02-Jan-2018	Cash Credit	Long Term	2.00	ACUITE BBB- / Stable (Assigned)
	Cash Credit	Long Term	4.00	ACUITE BBB- / Stable (Assigned)
	Term loans	Long Term	10.80	ACUITE BBB- / Stable (Assigned)
	Term loans	Long Term	4.94	ACUITE BBB- / Stable (Assigned)
	Term loans	Long Term	25.06	ACUITE BBB- / Stable (Assigned)
	Term loans	Long Term	29.00	ACUITE BBB- / Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB- / Stable (Assigned)
	Term loans	Long Term	19.65	ACUITE BBB- / Stable (Assigned)
	Term loans	Long Term	9.00	ACUITE BBB- / Stable (Assigned)
	Cash Credit	Long Term	6.00	ACUITE BBB- / Stable (Assigned)
	Term loans	Long Term	14.00	ACUITE BBB- / Stable (Assigned)

	Bank guarantee/Letter of Guarantee	Short Term	4.00	ACUITE A3 (Assigned)
	Bank guarantee/Letter of Guarantee	Short Term	1.22	ACUITE A3 (Assigned)
	Proposed	Long Term	5.33	ACUITE BBB- / 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
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE BBB- Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE BBB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	10.80	ACUITE BBB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	4.94	ACUITE BBB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	25.06	ACUITE BBB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	29.00	ACUITE BBB- Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE BBB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	19.65	ACUITE BBB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	9.00	ACUITE BBB- Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE BBB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	14.00	ACUITE BBB- Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A3 Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	1.22	ACUITE A3 Issuer not co-operating*
Proposed	Not Applicable	Not Applicable	Not Applicable	5.33	ACUITE BBB- Issuer not co-operating*

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

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### About Acuité Ratings & Research:

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