

Press Release
Milton Industries Limited

January 30, 2023



Rating Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|------------------------------------|------------------|--|--|
| Bank Loan Ratings | 12.75 | ACUITE BB- Reaffirmed Issuer not co-operating* | - |
| Bank Loan Ratings | 8.75 | - | ACUITE A4+ Reaffirmed Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 21.50 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) and the short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 21.50 crore bank facilities of Milton Industries Limited (MIL). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

Based at Ahmedabad, Milton Industries Limited was incorporated in 1985 as an ISO 9001:2008 certified company engaged in manufacturing of Laminates, Artificial Leather Cloth and Glass Fibre Reinforced Epoxy (GFRE) Sheets in the state of Gujarat. MIL has manufacturing facilities located at Mehsana and Sabarkantha district of Gujarat. Initially, the company was engaged in manufacturing of laminates and further diversified into manufacturing and export of Artificial Leather cloth, GFRE Sheets, DGFRE, CCL and NAFTC. The products of the company are primarily used in real estate and artificial leather and polymers in Indian railways and roadways. In addition, the company also has a High-Pressure Hydraulic Press in which it manufactures 12 x 6 size of compact laminate which is mostly in demand in Europe, America, and Australia. Mr. Vikas Jain, Mr. Abhaykumar Mahipalsingh Jain and Mr. Saket Jain are the Wholtime Directors of the company.

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 the 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 Acuite'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 Sensitivity

"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

Not Applicable

Key Financials

| Particulars | Unit | FY 21 (Actual) | FY 20 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 42.19 | 68.32 |
| PAT | Rs. Cr. | 2.65 | 3.48 |
| PAT Margin | (%) | 6.28 | 5.09 |
| Total Debt/Tangible Net Worth | Times | 0.30 | 0.47 |
| PBDIT/Interest | Times | 3.85 | 4.06 |

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

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

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|------------|-----------------|--|
| 02 Nov 2021 | Cash Credit | Long Term | 10.00 | ACUITE BB- (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 1.61 | ACUITE BB- (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 0.50 | ACUITE BB- (Downgraded and Issuer not co-operating*) |
| | Proposed Bank Facility | Long Term | 0.64 | ACUITE BB- (Downgraded and Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 7.00 | ACUITE A4+ (Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 1.75 | ACUITE A4+ (Issuer not co-operating*) |
| 04 Aug 2020 | Bank Guarantee | Short Term | 8.75 | ACUITE A4+ (Issuer not co-operating*) |
| | Proposed Bank Facility | Long Term | 0.64 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 1.61 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 10.50 | ACUITE BB (Downgraded and Issuer not co-operating*) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|---------------------|----------------|------------------------------------|------------------|----------------|----------------|------------------|-------------------|--|
| State Bank of India | Not Applicable | Bank Guarantee/Letter of Guarantee | Not Applicable | Not Applicable | Not Applicable | Simple | 7.00 | ACUITE A4+ Reaffirmed Issuer not co-operating* |
| HDFC Bank Ltd | Not Applicable | Bank Guarantee/Letter of Guarantee | Not Applicable | Not Applicable | Not Applicable | Simple | 1.75 | ACUITE A4+ Reaffirmed Issuer not co-operating* |
| State Bank of India | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 10.00 | ACUITE BB- Reaffirmed Issuer not co-operating* |
| HDFC Bank Ltd | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 0.50 | ACUITE BB- Reaffirmed Issuer not co-operating* |
| Not Applicable | Not Applicable | Proposed Long Term Bank Facility | Not Applicable | Not Applicable | Not Applicable | Simple | 0.64 | ACUITE BB- Reaffirmed Issuer not co-operating* |
| HDFC Bank Ltd | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 1.61 | ACUITE BB- Reaffirmed Issuer not co-operating* |

Contacts

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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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