



Press Release
Milton Industries Limited
November 22, 2023

Rating Downgraded and Issuer not co-operating

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

Rating Rationale

Acuite has downgraded the long-term rating to **'ACUITE B+' (read as ACUITE B plus)** from **'ACUITE BB-' (read as ACUITE double B minus)** and the short-term rating to **'ACUITE A4' (read as ACUITE A four)** from **'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.

Rationale for Rating Downgrade:

The rating downgrade considers the decline in financial performance of MIL in H1FY2024.

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, DGFRP, 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). Acuite 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".

All 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 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	59.95	59.05
PAT	Rs. Cr.	2.87	3.25
PAT Margin	(%)	4.79	5.50
Total Debt/Tangible Net Worth	Times	0.38	0.22
PBDIT/Interest	Times	6.11	5.53

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

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, Acuite 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
30 Jan 2023	Bank Guarantee	Short Term	1.75	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	7.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	0.50	ACUITE BB- (Issuer not co-operating*)
	Term Loan	Long Term	1.61	ACUITE BB- (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	0.64	ACUITE BB- (Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BB- (Issuer not co-operating*)
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 Downgraded 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 Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE B+ Downgraded Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	0.50	ACUITE B+ Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	0.64	ACUITE B+ Downgraded Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.61	ACUITE B+ Downgraded 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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