



Press Release
Milton Industries Limited
November 26, 2024

Rating Downgraded, Reaffirmed 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 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	21.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

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

Rating Rationale

Acuite has downgraded the long-term rating to ‘**ACUITE B**’ (read as **ACUITE Bf**) from ‘**ACUITE B+**’ (read as **ACUITE B plus**) and reaffirmed the short-term rating to ‘**ACUITE A4**’ (read as **ACUITE A four**) 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.

The rating downgrade considers the deterioration noted in profitability margins and debt protection metrics and insignificant changes in interest cost and depreciation of the company as compared to H12025-H12024.

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.

Unsupported Rating

Not Applicable

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 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.

Rating Sensitivity

No information provided by the issuer / available for Acuite to comment upon.

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 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	89.06	59.95
PAT	Rs. Cr.	3.19	2.87
PAT Margin	(%)	3.58	4.79
Total Debt/Tangible Net Worth	Times	0.33	0.38
PBDIT/Interest	Times	3.86	6.11

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, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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
22 Nov 2023	Bank Guarantee/Letter of Guarantee	Short Term	7.00	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Bank Guarantee/Letter of Guarantee	Short Term	1.75	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Proposed Long Term Bank Facility	Long Term	0.64	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Cash Credit	Long Term	10.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Cash Credit	Long Term	0.50	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Term Loan	Long Term	1.61	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
30 Jan 2023	Bank Guarantee/Letter of Guarantee	Short Term	7.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	1.75	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	0.50	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	1.61	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	0.64	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
02 Nov 2021	Bank Guarantee/Letter of Guarantee	Short Term	1.75	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	7.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	1.61	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
	Cash Credit	Long Term	0.50	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
	Cash Credit	Long Term	10.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
	Proposed Long Term Bank Facility (RP)	Long Term	0.64	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)

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

Annexure - Details of instruments rated

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

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

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About Acuité Ratings & Research

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