

Press Release

Aglon Industries Private Limited

May 03, 2023



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	150.70	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	3.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	153.70	-	-

Rating Rationale

Acuite has downgraded the long-term rating rating from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) to '**ACUITE BB+**' (read as **ACUITE double B plus**) and short-term rating from '**ACUITE A3**' (read as **ACUITE A three**) to '**ACUITE A4+**' (read as **ACUITE A four plus**) on Rs.153.70 crore bank facilities of Aglon Industries Private Limited. This rating is now an indicative rating and is based on best available information. Rating has been downgraded on account of information risk as the issuer did not cooperate.

About the Company

Aglon Industries Private Limited (AIPL), is a Surat based company. The company was incorporated in 2015 and is jointly owned by Goenka Group promoted by Mr. Vishnu Goenka and Agarwal Group promoted by Mr. Lokpriya Agarwal. The company is engaged in manufacturing of nylon yarn. The manufacturing facility was set up in 2015, however, the production commenced in December 2016. The product profile of the company comprises of variety of nylon yarn such as fully drawn yarn, mother yarn, partially oriented yarn and air-textured yarn, among others.

About the Group

Agarwal Group and Goenka Group are in wholesale yarn trading since past 3-4 decades. While Agarwal Group started its business in 1975 with establishment of Agarwal Fabtex Pvt. Ltd. (AFPL), Sansar Texturises Pvt. Ltd. was the first yarn trading company of Goenka Group established in 1994. In 2015, both these groups jointly started AIPL to produce nylon yarn, which is a backward integration for their nylon yarn trading businesses. In 2018, the groups established one more trading company named Aglon Impex Pvt. Ltd. (Aglon Impex), which is majorly into nylon trading.

Standalone (Unsupported) Rating

ACUITE BB+/A4+

Non-cooperation by the issuer/borrower

Acuite has been requesting for the key informations for the rating purpose from the rated entity. However, the issuer / borrower failed to submit such information before 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 Acuité'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 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.

Rating Sensitivities

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

Key Financials:

The rated entity has not shared the latest financial statement for Acuite to comment.

Status of non-cooperation with previous CRA

None

Any other information

Acuite is yet to receive the latest No Default Statement from the rated company despite repeated requests and followups.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Complexity Level Of Financial Instruments: <https://www.acuite.in/view-rating-criteria-55.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entitie: <https://www.acuite.in/view-rating-criteria-61.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
21 Feb 2022	Term Loan	Long Term	25.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.95	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	5.74	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	4.43	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	10.56	ACUITE BBB- Stable (Reaffirmed)
	Bank Guarantee	Short Term	1.00	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	1.53	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	59.65	ACUITE BBB- Stable (Assigned)
	Proposed Cash Credit	Long Term	3.79	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	3.05	ACUITE BBB- Stable (Assigned)
11 Feb 2022	Bank Guarantee	Short Term	2.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee	Short Term	1.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	10.56	ACUITE BBB- Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	9.27	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	5.74	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	4.43	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
03 Feb	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	12.97	ACUITE BBB- Stable (Assigned)
	Proposed Cash Credit	Long Term	0.44	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	7.68	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	5.47	ACUITE BBB- Stable (Assigned)
		Long		ACUITE BBB- Stable

2021	Term Loan	Term	3.44	(Assigned)
	Cash Credit	Long Term	20.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	1.00	ACUITE A3 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Cosmos Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	1.00	ACUITE A4+ Downgraded Issuer not co-operating*
Central Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	2.00	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 BB+ Downgraded Issuer not co-operating*
Cosmos Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	20.00	ACUITE BB+ Downgraded Issuer not co-operating*
Central Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE BB+ Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	3.79	ACUITE BB+ Downgraded Issuer not co-operating*
Cosmos Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	10.56	ACUITE BB+ Downgraded Issuer not co-operating*
Central Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	5.74	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	4.43	ACUITE BB+ Downgraded Issuer not co-

								operating*
Central Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.95	ACUITE BB+ Downgraded Issuer not co-operating*
Central Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.53	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	59.65	ACUITE BB+ Downgraded Issuer not co-operating*
Yes Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	25.00	ACUITE BB+ Downgraded Issuer not co-operating*
Central Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	3.05	ACUITE BB+ Downgraded Issuer not co-operating*

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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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