



**Press Release**  
**SAFEFLEX INTERNATIONAL LIMITED**  
**January 29, 2025**  
**Rating Downgraded**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	65.75	ACUITE C   Downgraded	-
Bank Loan Ratings	4.25	-	ACUITE A4   Downgraded
Total Outstanding Quantum (Rs. Cr)	70.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has downgraded its long-term rating to '**ACUITE C**' (read as **ACUITE Cf**) from '**ACUITE BBB+**' (read as **ACUITE triple B plus**) and its short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A2+**' (read as **ACUITE A two plus**) on Rs. 70.00 Cr. bank facilities of Safeflex International Limited (SIL).

**Rationale of Rating Downgrade**

The downgrade is based on the delay reported in servicing of debt obligation in February 2024 by Endurafab Private Limited (subsidiary of Safeflex International Limited).

**About the Company**

Incorporated in 2006, Safeflex International Limited (SIL) is engaged in the manufacturing and export of flexible intermediate bulk container (FIBC), lumber covers, container liners, agro nets, tensile fabrics, among others in its manufacturing facility located in SEZ Pithampur, Indore. SIL along with its three subsidiaries has a total installed capacity of 34,896 MTPA of FIBC and knitted and poly woven products. The company was established by Mr. Jitesh Agarwal having around three decades of experience in polywoven sacks/FIBC industry.

**About the Group**

**Mewad Polymers Private Limited**

Incorporated in April 2009, Mewad Polymers Private Limited (MPPL) is engaged in the manufacturing of FIBC also known as Jumbo bags for packaging applications. The company commenced operations from November 2015. The manufacturing unit is located in Vadodara in Gujarat and has installed production capacity of 4,800 MTPA. The company's registered office is in Indore, Madhya Pradesh. The current directors of the firm are Mr. Rohit Bhokardankar and Mr. Ghanshyam Kumar Singh.

**Hippoflex International Private Limited**

Incorporated in 2020, Hippoflex International Private Limited is mainly engaged in the business of Polypropylene Bags. The company's registered office is in Indore, Madhya Pradesh. The current directors of the firm are Mr. Om Prakash Patidar and Mr. Ashok Chourasia.

**Endurafab Private Limited**

Incorporated in 2021, Endurafab Private Limited is mainly engaged in the manufacturing of roofing fabrics, lumber covers, garden nets, agro nets, amongst other fabrics. The company's registered office is in Indore, Madhya Pradesh. The current directors of the firm are Mr. Meghdeep Agrawal and Mr. Ghanshyam Kumar Singh.

**Unsupported Rating**

Not Applicable

## **Analytical Approach**

### **Extent of Consolidation**

- Full Consolidation

### **Rationale for Consolidation or Parent / Group / Govt. Support**

Acuite has consolidated the business and financial risk profile of Safeflex International Limited and three of its subsidiaries – Mewad Polymers Private Limited, Hippoflex Private Limited and Endurafab Private Limited. The consolidation is in the view of common management, operational linkages, financial linkages between the entities and a similar line of business.

## **Key Rating Drivers**

### **Strengths**

#### **Long track record of operations and extensive experience of management in FIBC industry**

Incorporated in 2006, the company has a long operational track record of almost two decades in the FIBCs industry. Further, the promoter, Mr. Jitesh Agarwal has around three decades of experience in the manufacturing of FIBC and poly woven /poly knitted industry. He is ably supported by qualified management team having experience of around two decades in the polymer processing field. This had led company build established relationships with customers and suppliers, thus ensuring swift business operations.

Acuite believes that long track of operations of the company and extensive experience of the promoters shall support the business risk profile going forward.

### **Weaknesses**

#### **Instance of delay in servicing of debt obligation**

Instance of delay in servicing of term loan obligation by the subsidiary company - Endurafab Private Limited is observed in its loan account statement for the month of February 2024.

### **Rating Sensitivities**

Timely servicing of debt obligations

### **Liquidity Position**

#### **Stretched**

Liquidity position is marked stretched due to instance of delay in servicing of debt obligation by the subsidiary company - Endurafab Private Limited.

### **Outlook: Not Applicable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	373.67	333.48
PAT	Rs. Cr.	21.21	28.06
PAT Margin	(%)	5.68	8.42
Total Debt/Tangible Net Worth	Times	1.14	0.84
PBDIT/Interest	Times	4.70	11.76

### Status of non-cooperation with previous CRA (if applicable)

Not Applicable

### Any Other Information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
30 Nov 2023	Letter of Credit	Short Term	2.50	ACUITE A2+ (Assigned)
	Proposed Short Term Bank Facility	Short Term	1.75	ACUITE A2+ (Assigned)
	Cash Credit	Long Term	29.00	ACUITE BBB+   Stable (Assigned)
	PC/PCFC	Long Term	13.00	ACUITE BBB+   Stable (Assigned)
	PC/PCFC	Long Term	23.75	ACUITE BBB+   Stable (Assigned)

## 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.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	29.00	Simple	ACUITE C   Downgraded ( from ACUITE BBB+ )
Axis Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.50	Simple	ACUITE A4   Downgraded ( from ACUITE A2+ )
HDFC Bank Ltd	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.00	Simple	ACUITE C   Downgraded ( from ACUITE BBB+ )
Axis Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	23.75	Simple	ACUITE C   Downgraded ( from ACUITE BBB+ )
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.75	Simple	ACUITE A4   Downgraded ( from ACUITE A2+ )

### \*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Company name
1	Mewad Polymers Private Limited
2	Hippoflex International Private Limited
3	Endurafab Private Limited
4	Safeflex International Limited

## Contacts

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### About Acuité Ratings & Research

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