

Press Release

Xpro India Limited

April 09, 2020

Rating Withdrawn



Total Bank Facilities Rated*	Rs. 198.53 crore
Long Term Rating	ACUITE B- (Withdrawn)
Short Term Rating	ACUITE A4 (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuite has withdrawn the long term rating of '**ACUITE B-**' (read as **ACUITE B minus**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the bank facilities of Rs. 198.53 crores for (XIL). The rating withdrawal is in accordance with the Acuite's policy on withdrawal of rating and on account of request received from the company and NOC received from the banker.

XIL, incorporated in 1997, is a Delhi-based company listed on a BSE and NSE. XIL is a part of the Sidharth Birla Group. XIL manufactures BOPP films, dielectric capacitor films, cast films, coextruded plastic sheets, refrigerator sheets, liners and cabinets. The company has manufacturing facilities in Barjora (West Bengal), Greater Noida (Uttar Pradesh), Ranjangaon (Maharashtra), Pithampur (Madhya Pradesh) and Faridabad (Haryana). XIL has two wholly-owned subsidiaries viz. Xpro Global Ltd. (India) and Xpro Global Pte Ltd. (Singapore).

Analytical Approach

Acuite has considered standalone business and financial risk profile of XIL to arrive at the rating.

Key Rating Drivers

Strengths

- **Experienced management**

XIL is promoted by Mr. Sidharth Birla, his family members and entities controlled by them holds 50.02 percent shares in the company. The company has established track record of operations of over two decades.

Acuite believes that the company will benefit from its experienced management, which helps the company maintain long-standing relations with its customers and suppliers

Weaknesses

- **Susceptible to fluctuations in its raw material prices**

XIL's operations are highly susceptible to fluctuations in raw material prices which has resulted in decline in operating margins. Raw materials are imported which exposes company to forex fluctuations.

Liquidity Position: Adequate

The company has moderately working capital intensive operations marked by GCA of 111 days for FY2019. The company maintains unencumbered cash and bank balances of Rs. 0.38 crore as on 31 March, 2019. Acuite believes the company will maintain adequate liquidity profile.

Material Covenants

None

Rating Sensitivities

Not Applicable

About the Rated Entity - Key Financials

	Unit	FY19 (Actual)	FY18 (Actual)
Operating Income	Rs. Cr.	346.08	305.24
PAT	Rs. Cr.	2.13	10.46
PAT Margin	(%)	0.62	3.43
Total Debt/Tangible Net Worth	Times	2.11	2.39
PBDIT/Interest	Times	1.76	2.23

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

Not Applicable

Any other information

Acuite 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>
- Application of Financial Ratios and Adjustments- <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition- <https://www.acuite.in/view-rating-criteria-52.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
17-Mar-2020	Cash Credit	Long Term	45.00	ACUITE B- (Indicative)
	Term Loan	Long Term	114.36	ACUITE B- (Indicative)
	Letter of Credit	Short Term	39.17	ACUITE A4 (Indicative)
10-Jan-2019	Cash Credit	Long Term	45.00	ACUITE B- (Indicative)
	Term Loan	Long Term	114.36	ACUITE B- (Indicative)
	Letter of Credit	Short Term	39.17	ACUITE A4 (Indicative)
18-Oct-2017	Cash Credit	Long Term	45.00	ACUITE B- (Indicative)
	Term Loan	Long Term	114.36	ACUITE B- (Indicative)
	Letter of Credit	Short Term	39.17	ACUITE A4 (Indicative)
	Term Loan	Long Term	103.96	ACUITE BBB / Stable (Assigned)
	Letter of Credit	Short Term	28.47	ACUITE A2 (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	45.00	ACUITE B- (Withdrawn)
Term Loan	Not Applicable	Not Applicable	Not Applicable	114.36	ACUITE B- (Withdrawn)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	39.17	ACUITE A4 (Withdrawn)

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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