

July 30, 2019

## Shri Maa Polyfabs Ltd: Ratings downgraded to [ICRA]BB+(Stable)/[ICRA]A4+ ISSUER NOT COOPERATING and continue to remain under Non-Cooperating category

### Summary of rated instruments

| Instrument <sup>^</sup> | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action  |
|-------------------------|-----------------------------------|----------------------------------|--|
| Fund based-Term Loan    | 35.00                             | 35.00                            | [ICRA]BB+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB- (Stable) and continues to remain in the 'Issuer Not Cooperating' category |
| Fund based-Cash Credit  | 19.00                             | 19.00                            | [ICRA]BB+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB- (Stable) and continues to remain in the 'Issuer Not Cooperating' category |
| Non Fund based Limit    | 7.00                              | 7.00                             | [ICRA]A4+ ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A3 and continues to remain in the 'Issuer Not Cooperating' category                    |
| <b>Total</b>            | <b>61.00</b>                      | <b>61.00</b>                     |  |

<sup>\*</sup>Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

### Rating action

ICRA has downgraded the ratings for the Rs. 61.00 crore bank facilities of Shri Maa Polyfabs Ltd (SMPL) to [ICRA]BB+(Stable)/ [ICRA]A4+ (pronounced ICRA double B plus/ ICRA A four plus) from [ICRA]BBB- (Stable)/ [ICRA]A3 (pronounced ICRA triple B minus/ ICRA A three). The ratings continue to remain in the 'Issuer Not Cooperating' category. The ratings are denoted as “[ICRA]BB+(Stable)/ [ICRA]A4+ ISSUER NOT COOPERATING”

### Rationale

While assigning the ratings, ICRA has considered the business-risk profile of SMPL along with its group companies, Asansol Polyfabs Private Limited (APPL) and Hariom Polypacks Limited (HPPL), collectively referred to as the “Asansol Group (AG)”, since there are operational, financial and managerial linkages among the companies.

The downward revision in the ratings take into consideration the significant increase in AG’s overall debt level leading to deterioration in the capital structure as well as coverage indicators.

The ratings are based on limited information on the entity’s performance since the time it was last rated in December 2017. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using these ratings as the ratings may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Shri Maa Polyfabs Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity’s management has remained non-cooperative. In the absence of requisite information and in line with SEBI’s Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA’s Rating Committee has taken a rating view based on the best available information.

## Analytical approach:

| Analytical Approach             | Comments  |
|---------------------------------|---|
| Applicable Rating Methodologies | <a href="#">Corporate Credit Rating Methodology</a><br><a href="#">Policy in respect of non-cooperation by the rated entity</a> |
| Parent/Group Support            | Not Applicable  |
| Consolidation / Standalone      | The rating is based on the consolidated financial statements of the issuer  |

## About the company:

SMPL manufactures bulk packing materials like woven sacks, fabrics and leno bags made of polypropylene and high-density polyethylene. The manufacturing facility is located at Asansol in Paschim Bardhaman district of West Bengal. Incorporated in 2005, SMPL is involved in the manufacturing of bulk packing materials made of polypropylene and high-density polyethylene. The company, at present, has an annual manufacturing capacity of 11,600 metric tonne per annum (MTPA).

The previous detailed rating rationale is available on the following link: [Click Here](#)

## Key financial indicators

Not Available

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for last three years

| Instrument | Type                    | Amount Rated<br>(Rs. crore) | Amount Outstanding<br>(Rs Crore) | Current Rating (FY2020)                            |  | Chronology of Rating History for the |                                       |                                 |  |
|------------|-------------------------|-----------------------------|----------------------------------|--|--|--------------------------------------|---------------------------------------|---------------------------------|--|
|            |                         |                             |                                  | Date & Rating<br>July-19                           | Date & Rating<br>June-19                             | Date & Rating in<br>FY2018<br>Jan-18 | Date & Rating in<br>FY2017<br>July-16 | Date & Rating in<br>FY2016<br>- |  |
| 1          | Term Loan               | 35.00                       | NA                               | [ICRA]BB+<br>(Stable)ISSUER<br>NOT<br>COOPERATING* | [ICRA]BBB-<br>(Stable) ISSUER<br>NOT<br>COOPERATING^ | [ICRA]BBB-<br>(Stable)               | [ICRA]BBB-<br>(Stable)                | -                               |  |
| 2          | Cash Credit             | 19.00                       | NA                               | [ICRA]BB+<br>(Stable)ISSUER<br>NOT<br>COOPERATING* | [ICRA]BBB-<br>(Stable) ISSUER<br>NOT<br>COOPERATING^ | [ICRA]BBB-<br>(Stable)               | [ICRA]BBB-<br>(Stable)                | -                               |  |
| 3          | Non Fund<br>Based limit | 7.00                        | NA                               | [ICRA]A4+<br>ISSUER NOT<br>COOPERATING*            | [ICRA]A3<br>ISSUER NOT<br>COOPERATING^               | [ICRA]A3                             | [ICRA] A3                             | -                               |  |

Source :Shri Maa Polyfabs Limited

\* Issuer did not co-operate; based on best available information

^ Issuer not cooperating due to Non Submission of No Default Statement (NDS)

## Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

## Annexure-1 Instrument Details

| ISIN No | Instrument           | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook                |
|---------|----------------------|-----------------------------|-------------|---------------|--------------------------|---|
| NA      | Term Loan            | March 18, 2014              | -           | Sep 30,2021   | 35.00                    | [ICRA]BB+ (stable)ISSUER NOT COOPERATING* |
| NA      | Cash Credit          | -                           | -           | -             | 19.00                    | [ICRA]BB+(Stable) ISSUER NOT COOPERATING* |
| NA      | Non Fund Based Limit | -                           | -           | -             | 7.00                     | [ICRA]A4+ ISSUER NOT COOPERATING*         |

\* Issuer did not co-operate; based on best available information  
Source: Shri Maa Polyfabs Ltd

## Annexure-2: List of entities considered for consolidated analysis:

Asansol Polyfabs Private Limited, Hariom Polypacks Limited and Shri Maa Polyfabs Ltd

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