

May 25, 2022

Suncity Synthetics Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Cash credit	8.35	8.35	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under ‘Issuer Not Cooperating’ category.
Long-term Fund-based – Term Loan	1.74	1.74	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under ‘Issuer Not Cooperating’ category.
Long term Non-Fund based limits-Bank Guarantee	0.85	0.85	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under ‘Issuer Not Cooperating’ category.
Long term Unallocated Limits	4.06	4.06	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under ‘Issuer Not Cooperating’ category.
Total	15.00	15.00	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has retained the Long-Term ratings of Suncity Synthetics Limited in the ‘Issuer Not Cooperating’ category. The rating is denoted as [ICRA]D; ISSUER NOT COOPERATING”.

ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite repeated requests by ICRA, the entity’s management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers’ performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA’s policy in respect of non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Policy on default recognition
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Suncity Synthetics Ltd. (SSL) was incorporated in February 1988 and has its registered office at Surat, Gujarat and administrative office at Jodhpur, Rajasthan. The promoters were earlier involved in yarn manufacturing business and later switched to the production of nylon chips. Till FY2013, the company was involved in the business of manufacturing nylon granules, which are basically used as the matrix material in composite materials for reinforcing fibres like glass or carbon fibre. The good heat resistance of such materials makes these feasible alternatives to metals. Such materials are also used in technical textile products. The company was one of the pioneers in India, producing nylon double chips using German technology. Since April 2013, the company started manufacturing polyester staple fibre as well. SSL is ISO 9001:2000 and ISO 14001 certified. It has also forayed into the manufacturing of nylon staple fibre (NSF), which finds applications in technical textile products as well as automotive industries. The plant became operational in August 2015 but due to low demand and intense competition, the company used the enhanced capacity to manufacture PSF only from FY2017. SSL has two factories in Jodhpur, Rajasthan. One factory premise is used for manufacturing PSF and the other one is used for nylon granule and fibre manufacturing.

Key Financial Indicators:

	FY2020 (Audited)	FY2021 (Audited)
Operating Income (Rs. crore)	14.86	4.68
PAT (Rs. crore)	(4.12)	(3.88)
OPBDIT/ OI (%)	-7.47%	-64.32%
PAT/OI (%)	-27.73%	-82.91%
Total Debt/ TNW (times)	3.40	(46.22)
Total Debt/ OPBDIT (times)	(11.26)	(3.13)
Interest coverage (times)	(-0.99)	(-3.63)
TOL/TNW	3.94	(51.30)
NWC/OI	0.51	0.58

Status of non-cooperation with previous CRA:NA

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)			Chronology of Rating History for the past 3 years					
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in FY2022	Date & Rating in FY2021		Date & Rating in FY2020		
						May 25, 2022	Mar 24, 2021	May 18, 2020	Oct 09, 2019	Jun 28, 2019
1	Cash Credit	Long Term	8.35	-	[ICRA]D; ISSUER NOT COOPERATING	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	[ICRA]BB- (Stable)
2	Term Loan	Long Term	1.74	-	[ICRA]D; ISSUER NOT COOPERATING	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	[ICRA]BB- (Stable)
3	Bank guarantee	Long Term	0.85	-	[ICRA]D; ISSUER NOT COOPERATING	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	[ICRA]BB- (Stable)

4	Unallocated	Long Term	4.06	-	[ICRA]D; ISSUER NOT COOPERATING	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D	[ICRA]BB- (Stable)
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Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple
Bank guarantee	Very Simple
Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	8.35	[ICRA]D; ISSUER NOT COOPERATING
NA	Term Loan	-	-	-	1.74	[ICRA]D; ISSUER NOT COOPERATING
NA	Bank guarantee	-	-	-	0.85	[ICRA]D; ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	4.06	[ICRA]D; ISSUER NOT COOPERATING

Source: Suncity Synthetics Limited

Annexure-2: List of entities considered for consolidated analysis: Not applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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