

## Milton Industries Limited

July 08, 2021

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings <sup>1</sup>	Rating Action
Long Term Bank Facilities	3.28	CARE BB-; Stable; ISSUER NOT COOPERATING* (Double B Minus; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB; Stable; (Double B; Outlook: Stable)
Long Term / Short Term Bank Facilities	10.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* (Double B Minus; Outlook: Stable/ A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB; Stable / CARE A4; (Double B; Outlook: Stable / A Four)
Short Term Bank Facilities	8.75	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>22.03</b> <b>(Rs. Twenty-Two Crore and Three Lakhs Only)</b>		

*Details of facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated August 11, 2020 continued the ratings of Milton Industries Limited (MIL) under the 'issuer non-cooperating' category as MIL had failed to provide information for monitoring of the ratings as agreed to in its Rating Agreement. MIL continues to be non-cooperative despite repeated requests for submission of information through phone calls and email dated June 27, 2021. In line with the extant SEBI guidelines, CARE has reviewed the ratings on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.**

The ratings assigned to the bank facilities of MIL have been revised on account of non-availability of requisite information to carry out a review and CARE's inability to carry out due diligence with lenders. The revision also takes into account decline in company's scale of operations with a moderate profitability, in FY21 (refers to the period April 1 to March 31).

### Detailed description of key rating drivers

Please refer to PR dated [August 08, 2020](#)

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)  
[Criteria on assigning 'Outlook' and 'Credit Watch' to Credit Ratings](#)  
[CARE's Policy on Default Recognition](#)  
[Rating Methodology - Manufacturing Companies](#)  
[Financial ratios – Non-Financial Sector](#)  
[Criteria for Short Term Instruments](#)

### About the Company

Ahmedabad-based (Gujarat) MIL is a closely-held public limited company engaged in manufacturing of laminates, artificial leather & polymer since 1985. Further, in August 2015, MIL commenced production of glass fibre reinforced epoxy resin sheet at its Sabarkantha plant. It has manufacturing facilities located at Mehsana & Sabarkantha district of Gujarat.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

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

Laminates are primarily used in real estate and artificial leather and polymers in Indian railways and roadways. It has a total installed capacity of 3600 Metric Ton Per Annum (MTPA) of laminates and 2400 km per annum of artificial leather & PVC and 4400 MTPA of Glass Fibre Reinforced Epoxy Resin Sheet.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)
Total operating income	68.45	42.74
PBILDT	8.37	6.80
PAT	3.48	2.65
Overall gearing (times)	0.47	0.30
Interest coverage (times)	4.06	3.84

A: Audited

**Status of non-cooperation with previous CRA:** ACUITE has put ratings assigned to the bank facilities of MIL in to 'Non Cooperation' vide press release dated August 04, 2020 on account of non-cooperation by MIL with ACUITE's efforts to undertake a review of the ratings outstanding.

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument/facility:** Please refer Annexure-3

**Complexity level of various instruments rated for this company:** Please refer Annexure-4

#### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT/ ST-CC/Packing Credit	-	-	-	10.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC	-	-	-	7.00	CARE A4; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	0.50	CARE BB-; Stable; ISSUER NOT COOPERATING*
Term Loan-Long Term	-	-	-	2.78	CARE BB-; Stable; ISSUER NOT COOPERATING*

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-fund-based - ST-Letter of credit	-	-	-	1.75	CARE A4; ISSUER NOT COOPERATING*

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

## Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT/ ST-CC/Packing Credit	LT/ST	10.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (11-Aug-20)	1)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (23-May-19)	-
2.	Non-fund-based - ST-BG/LC	ST	7.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (11-Aug-20)	1)CARE A4; ISSUER NOT COOPERATING* (23-May-19)	-
3.	Fund-based - LT-Cash Credit	LT	0.50	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (11-Aug-20)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (23-May-19)	-
4.	Term Loan-Long Term	LT	2.78	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (11-Aug-20)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (23-May-19)	-
5.	Non-fund-based - ST-Letter of credit	ST	1.75	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (11-Aug-20)	1)CARE A4; ISSUER NOT COOPERATING* (23-May-19)	-

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

## Annexure 3: Covenants of rated instrument/facility: Not Applicable

## Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT/ ST-CC/Packing Credit	Simple
3.	Non-fund-based - ST-BG/LC	Simple
4.	Non-fund-based - ST-Letter of credit	Simple
5.	Term Loan-Long Term	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**