

India Files Manufacturing Company

August 23, 2022

Ratings

Facilities / Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
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
Total Facilities	8.75 (Rs. Eight Crore and Seventy-Five Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated July 07, 2021, placed the rating(s) of India Files Manufacturing Company (IFMC) under the 'issuer non-cooperating' category as IFMC had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. IFMC continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated May 23, 2022, June 02, 2022, June 12, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'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 rating(s).

Detailed description of the key rating drivers

Please refer to PR dated [July 07, 2021](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

About the Firm

IFMC is a partnership firm established in 2011 by Mr. Gautam Kapoor and his relatives, Mr. Sarat Chopra and Mr. Mukul Dutt. The firm is engaged in the business of manufacturing steel files, used for cutting and shaping metal, wood or plastic. The firm derives majority of its income from direct and indirect exports (direct exports constituted ~75% of the net sales in FY17). IFMC commenced operations in FY13 (with FY14 being the first full year of commercial operations). The firm sells its products under its own registered brand name- 'Filex', majorly to dealers located in countries like United States and Canada. The brand is also registered in other countries like Bangladesh, Republic De Nicaragua, Myanmar and Afghanistan. The firm has its manufacturing facility located in Una, Himachal Pradesh with an installed capacity of manufacturing 84 lakh pieces of steel files per annum as on March 31, 2017. The firm is also engaged in trading of wooden handles deriving ~4% of the total income in FY17 from this segment.

Brief Financials (Rs. crore)	FY20(A)	FY21(A)	FY22(Prov.)	Q1FY23 (Prov.)
Total operating income	NA	NA	NA	NA
PBILDT	NA	NA	NA	NA
PAT	NA	NA	NA	NA
Overall gearing (times)	NA	NA	NA	NA
Interest coverage (times)	NA	NA	NA	NA

A: Audited; Prov.: Provisional; NA: Not Available

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications

*Issuer did not cooperate; Based on best available information

Status of non-cooperation with previous CRA: Brickwork has continued the ratings assigned to the bank facilities of IFMC to 'Issuer Not Cooperating' category vide press release dated February 28, 2022 on account of its inability to carry out a review in the absence of the requisite information from the firm.

Any other information: Not Applicable

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

Covenants of rated instrument/facility: Annexure-3

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Fund-based - ST-Foreign Bill Discounting		-	-	-	2.50	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	1.00	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Forward Contract		-	-	-	0.25	CARE A4; ISSUER NOT COOPERATING*
Fund-based - ST-EPC/PSC		-	-	-	5.00	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; 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) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - ST-Foreign Bill Discounting	ST	2.50	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (07-Jul-21)	1)CARE A4; ISSUER NOT COOPERATING* (29-May-20)	-
2	Non-fund-based - ST-Letter of credit	ST	1.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (07-Jul-21)	1)CARE A4; ISSUER NOT COOPERATING* (29-May-20)	-
3	Non-fund-based - ST-Forward Contract	ST	0.25	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (07-Jul-21)	1)CARE A4; ISSUER NOT COOPERATING* (29-May-20)	-
4	Fund-based - ST-EPC/PSC	ST	5.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (07-Jul-21)	1)CARE A4; ISSUER NOT COOPERATING* (29-May-20)	-

*Issuer did not cooperate; Based on best available information

Annexure 3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

Annexure 4: Complexity level of various instruments rated for this firm

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - ST-EPC/PSC	Simple
2	Fund-based - ST-Foreign Bill Discounting	Simple
3	Non-fund-based - ST-Forward Contract	Simple
4	Non-fund-based - ST-Letter of credit	Simple

Annexure 5: Bank Lender Details for this Firm

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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