

## Indo Rama Synthetics India Limited

November 06, 2019

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long term Bank Facilities – Term Loan	-	-	Reaffirmed at D and withdrawn
Short Term Bank Facilities (Fund Based)	-	-	Reaffirmed at D and withdrawn
Long Term/Short Term Bank Facilities (Non-Fund Based)	-	-	Reaffirmed at D and withdrawn
<b>Total facilities</b>	-		

*Details of facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE has reaffirmed and withdrawn the outstanding ratings of 'CARE D' [Single D] assigned to the bank facilities of Indo Rama Synthetics India Limited with immediate effect. The above action has been taken at the request of Indo Rama Synthetics India Limited and 'No Dues Certificate' and a 'No Objection mail' received from the bank(s) that have extended the facilities rated by CARE.

**Analytical approach:** Not Applicable

### Applicable Criteria

[Policy on Withdrawal of ratings](#)

### About the Company

Incorporated in 1986, Indo Rama Synthetics (India) Limited (IRSL) commenced polyester manufacturing in 1989 and is India's second largest polyester manufacturer. The Company manufactures a wide range of polyester products which include Polyester Staple Fiber (PSF), Partially Oriented Yarn (POY), Draw Texturised Yarn (DTY), Fully Drawn Yarn (FDY) and Polyester Chips. IRSL has an integrated manufacturing complex spread over 250 acres at Butibori, near Nagpur with installed capacity of 6,10,050 MTPA of polyester. The company has several technical collaborations with companies like Chemtex Intl. Inc of USA, Toyobo of Japan, Zimmer AG of Germany among others. IRSL is promoted by Mr. O P Lohia (current Chairman & Managing Director) and his family.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	2268.50	1743.85
PBILDT	60.60	-9.03
PAT	-61.93	-271.06
Overall gearing (times)	0.87	2.30
Interest coverage (times)	0.64	-0.07

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

**Any other information:** Not Applicable

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

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

## 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-Term Loan	-	-	-	0.00	Withdrawn
Fund-based - ST-Bills discounting/ Bills purchasing	-	-	-	0.00	Withdrawn
Non-fund-based - LT/ ST-BG/LC	-	-	-	0.00	Withdrawn

## 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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE D (20-Dec-18)	1)CARE D (11-Sep-17) 2)CARE D (05-Sep-17)	1)CARE BB (04-Nov-16)
2.	Fund-based - ST-Bills discounting/ Bills purchasing	ST	-	-	-	1)CARE D (20-Dec-18)	1)CARE D (11-Sep-17) 2)CARE D (05-Sep-17)	1)CARE A4 (04-Nov-16)
3.	Non-fund-based - LT/ ST-BG/LC	LT/ST	-	-	-	1)CARE D / CARE D (20-Dec-18)	1)CARE D / CARE D (11-Sep-17) 2)CARE D / CARE D (05-Sep-17)	1)CARE BB / CARE A4 (04-Nov-16)

**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.

### Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades

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