



Rating Rationale

Sintex Industries Limited

June 12, 2019

Brickwork Ratings downgrades the rating of Bank Loans and Non-Convertible Debentures to BWR D.

Particulars

Instrument	Issue Date	Previous Amount (Rs in Crs)	Present Amount (Rs in Crs)	Coupon	Maturity Date	ISIN Particulars	Previous Rating (December 2018)	Present Rating
Non Convertible Debenture (NCD)	30-Sep-15	137.50	137.50	10.70%	30-Sep-21	INE429C07057	BWR A (Pronounced as BWR A) (Outlook: Stable)	BWR D (Pronounced as BWR D)
	11-Jun-14	112.50	112.50	10.70%	11-Jun-21	INE429C07040		
	8-Oct-15	250.00	250.00	9.41%	8-Oct-20	INE429C07065		
Total		500.00	500.00	INR Five Hundred Crores Only/-				

Facility	Previous Amount (Rs in Crs)	Present Amount (Rs in Crs)	Tenure	Previous Rating (December 2018)	Present Rating
Fund Based (FB)	5574.05	5536.27	Long Term	BWR A (Pronounced as BWR A) (Outlook: Stable)	BWR D (Pronounced as BWR D)
Non Fund Based (NFB)	725.00	1050.00	Short Term	BWR A1 (Pronounced as BWR A One)	BWR D (Pronounced as BWR D)
Total	6299.05	6586.27	INR Six Thousand Five Hundred Eighty Six Crores and Twenty Seven Lakhs Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Ratings Downgrade

The revision in ratings of Sintex Industries Ltd. (SIL), is on account of delays in servicing its interest and instalment obligations on bank loans, as confirmed by the company. The rating also takes into account a BSE disclosure of default, by the company on June 12, 2019 with regard to principal and interest payment of Rs. 85.84 Cr and Rs.3.03 Cr, respectively on Non-Convertible Debentures.



About the Company

Sintex Industries Limited, a Gujarat based Company, is one of the leading textile companies in the country. In 1931, “The Bharat Vijay Mills Limited” was formed and in 1955 the current owners acquired the Company. In 1995, the name of the company was changed to “ Sintex Industries Limited”. The Company started its operations with textile manufacturing and later diversified into plastic products. With effect from April 2016, the Company demerged its Plastic and Infrastructure business and continued with textiles business. SIL’s Textiles Division focuses on niche products and specializes in men’s structured shirting for the premium fashion industry. The Textiles plants are located in Kalol and Amreli, Gujarat. SIL is engaged mainly in Spinning, as also in weaving and finishing. The Amreli plant facility is strategically located in the cotton producing belt of Gujarat providing easy access to raw materials. Additionally, the projects are located in close proximity to two major ports namely Mundra and Pipavav providing logistical advantage in terms of substantial savings in freight costs for exports.

Mr. Dinesh B Patel (Chairman), Mr. Arun P Patel (Vice Chairman), Mr. Rahul A Patel (MD) and Mr. Amit D Patel (MD) are the promoters and key management persons of the Company. All of them have extensive experience in the industry.

Company’s Financial Performance

Key Financial Indicators (Standalone)

Key Parameters	Units	2018	2019
Result Type		Audited	Audited
Operating Revenue	Rs in Crs	2035.76	3256.95
EBITDA	Rs in Crs	300.86	479.63
PAT	Rs in Crs	135.98	21.52
Tangible Net worth	Rs in Crs	4392.39	4412.76
Total Debt/Tangible Net worth	Times	1.24	1.33
Current Ratio	Times	1.11	NA

Rating History for the last three years

Sn	Instrument/ Facility	Current Rating (Year 2019)		Rating History			
		Type	Amount (Rs Crs)	Rating	December 2018	November 2017	2016
1.	Non Convertible Debentures (NCDs)	Long Term	137.50	BWR D	BWR A (Stable)	BWR A (Stable) (Assigned on 20 Nov 17)	NA
2.			112.50				
3.			250.00				
4	FB- Term Loan	Long Term	4486.27	BWR D	BWR A (Stable)	BWR A (Stable) (Assigned on 20 Nov 17)	NA
5	FB- Working Capital#	Long Term	1050.00				NA
6	NFB- LC/BG#	Short Term	1050.00	BWR D	BWR A1	BWR A1 (Assigned on 20 Nov 17)	
	Total		7086.27	INR Seven Thousand Eighty Six Crores and Twenty Seven Lakhs Only/-			

Status of non-cooperation with previous CRA (if applicable):

CARE has downgraded Sintex Industries Limited's NCDs rating to CARE C (Negative) with issuer not cooperating on June 10, 2019. The issuer not cooperating was based on non receipt of requisite information from company for monitoring the Ratings.

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing companies](#)
- [Short Term Debt](#)



For any other criteria obtain hyperlinks from website

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

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BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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