Rating Rationale
23 September 2026

Indian Acrylics Ltd

SUMMARY OF RATING ACTION

Facilities**	Amount (Rs.Crs.) Previous	Amount (Rs.Crs.) Present	Tenure	Rating Previous (09 July 2026)	Rating Present	Regulatory
Term Loan Sanctioned *	0.00	**0.00**	Long Term		**Withdrawal**	RBI
GECL - sanctioned *	0.00	**0.00**		Withdrawal		
Cash Credit - Sanctioned	27.89	**27.89**		BWR D Reaffirmation	**BWR BB-/Stable /Upgrade**	
Sub- limit (EPC)- Sanctioned	(5.60)	**(5.60)**				
Sub- limit (CC)- Sanctioned	(0.50)	**(0.50)**				
Sub-Limit (FOB LC / FOOT NLC) -Sanctioned	(3.00)	**(3.00)**				
Sub-Limit (working capital demand loan) -Sanctioned	(3.00)	**(3.00)**				
Sub-Limit (export credit) -Sanctioned	(3.00)	**(3.00)**				
Sub-Limit (Buyer's credit) of ILC/FLC -Sanctioned	(70.61)	**(70.61)**	Short Term	BWR D Reaffirmation	**BWR A4/ Upgrade**	
Sub Total	27.89	**27.89**				
Non-Fund Based						
Letter of Credit -Sanctioned	0.00	**0.00**	Long Term	BWR D Reaffirmation	**BWR BB-/Stable/Upgrade**	
Sub-Limit (Packing credit) -Sanctioned	(5.00)	**(5.00)**				
Inland Letter of Guarantee -Sanctioned	0.50	**0.50**	Short Term	BWR D Reaffirmation	**BWR A4 /Upgrade**	
ILC/FLC -Sanctioned	70.61	**70.61**	Long Term			
Sub Total	71.11	**71.11**				
Grand Total	**99.00**	**99.00**	**(Rupees Ninety Nine Crores Only)**			

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
** Details of Bank Loan facilities are provided in Annexure-I

RATING ACTION / OUTLOOK

Brickwork Ratings has upgraded the rating to BWR BB-/Stable for the long-term ratings & BWR A4/Upgraded for the short term for the bank loan facilities of the Company, aggregating to Rs. 99.00 Crs.

The upgrade of the ratings is due to the fact that the company has repaid the entire term loan of Rs 50 crs, & The latest quarterly performance shows that the company is moving towards financial recovery, with Improved revenue and operating profit, along with a substantial reduction in net loss. However, continued losses and financial obligations remain key concerns, and sustained improvement is required to achieve stable profitability. The Company has complied with the "Brickwork Ratings Default Recognition & Post-default Curing Period Policy"

Brickwork Ratings (BWR) has essentially relied upon the audited financial statements of the company up to FY25(A), relevant data to the extent available for FY26(A), projected financials for FY27 and FY28, as well as information/clarifications provided by the company's management and its bankers, to arrive at the present ratings.

ANALYTICAL APPROACH & APPLICABLE RATING CRITERIA

Analytical Approach	Comments
Applicable Rating Criteria	• General Criteria • Default Recognition • Short-Term Debt • Approach to financial ratios • Manufacturing Company • Withdrawal Policy
Parent/Group/Government Support	NA
Analytical Approach (Consolidation/Standalone)	Standalone approach

KEY RATING DRIVERS

Credit Risk:

- **Intense competition in the industry :**
  The acrylic fibre industry faces significant competition from more affordable substitutes like polyester and the dumping of fibre by foreign producers. In fiscal 2024 and the first half of fiscal 2025, the domestic market also experienced heightened competition from international exporters. Additionally, the industry contends with import pressures driven by demand-supply imbalances and capacity constraints.
- **Weak Financial position :**
  The company reported a net loss of Rs. 30.86 crore in FY25 and is further projected to incur a loss of Rs. 24.09 crore in FY26, reflecting continued weak profitability, though with gradual improvement in operating performance. The net worth is also in negative territory;
  Improving Operating Performance – EBITDA projected to increase from ₹1.72 Cr to ₹14.51 Cr.
  Reduction in Interest Burden – Interest cost projected to reduce from ₹17.28 Cr to ₹6.05 Cr.
  Improving Liquidity – Current Ratio projected to improve from 1.05x to 1.35x.

Credit Risk:

- High Leverage – Total Debt/TNW expected to remain at a very high level
- Weak Debt Servicing Capacity – DSCR expected to remain very low in FY27
- Weak Net Worth – TNW was negative at ₹12.98 Cr in FY26 and remains low even after projected improvement.

ANALYTICAL APPROACH - Standalone

For arriving at its ratings, BWR has considered the standalone performance of Indian Acrylics Ltd.. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

RATING SENSITIVITIES

Going forward, the ability of the company to improve its revenue and financial risk profile would remain the key rating sensitivities.

Positive :

- Sustained improvement in operating performance – achievement of projected revenue of Rs. 400.00 Crs and EBITDA of Rs.15.00 Crs
- Improvement in debt servicing capacity – sustained improvement in ISCR and DSCR.
- Strengthening of financial risk profile – improvement in TNW to Rs. 5.00 Crs and reduction in leverage/debt.

Negative :

- Lower-than-expected business performance – failure to sustain the current levels of revenue and profitability.
- Further weakening of capital structure – increase in debt, negative/weak TNW or continued liquidity stress.

LIQUIDITY INDICATORS - Stretched

Current ratio is improving from 1.05x to 1.35x and 1.43x, showing that the company's ability to meet short-term liabilities is improving. The ratio remains low at 0.065x–0.086x, indicating that the company has limited cash available for immediate payments.ISCR improves from 0.10x in FY26 to 2.40x in FY27 and 3.33x in FY28, showing that the company's ability to pay interest is improving significantly.DSCR is 0.11x in FY26 and projected at 0.95x in FY27 and 0.60x in FY28. It remains below 1x, indicating weak debt repayment capacity. Cash and bank balance is ₹9.03 Cr in FY26, projected to increase to ₹10.53 Cr in FY27, but decline to ₹8.91 Cr in FY28. This indicates a limited cash cushion for immediate obligations.

Macroeconomic Indicator	**Sector**	**Industry**	**Basic Industry**
Commodities	Chemicals	Chemicals & Petrochemicals	Petrochemicals

ABOUT THE ENTITY

Indian Acrylics Limited is a manufacturer of Acrylic Fibre having a capacity of 45,000 MT of acrylic fibre production in India and has been running since 1993. The company is also producing large volumes of acrylic yarn and has 54000 spindles installed and running. We are selling the product into the domestic market as well as into major export markets of acrylic fibre and yarn. The Factories are located in Village Harkishanpura, Distt. Sangrur (Punjab) on around 117 Acres of Land. Total manpower in the Fibre Plant, including Head Office, is 435, and in the Spinning mills is 1,270. There are around 400 contract workers engaged in various activities in the plant. The company is also recognized as a two-star export house by DGFT as per FTP 2015-2020. The company also has a well-equipped in-house Research & Development Centre, duly recognized by the Govt. of India, and approved by DSIR since 2001. The company has a certificate of registration for Quality Management Systems - ISO 9001: 2015.
The company is Certified "OEKO-TEX Standard 100" by HOHENSTEIN TEXTILE TESTING INSTITUTE, Germany, certifying acrylic fibre.

KEY FINANCIAL INDICATORS

Key Financial Indicators	Units	FY23-24	FY 24-25	FY 25 -26
Result Type		**Audited**	**Audited**	**Audited**
Operating Revenue	Rs.Crs.	554.58	394.42	357.41
EBITDA	Rs.Crs.	-6.25	1.35	4.42
PAT	Rs.Crs.	-54.05	-30.86	-24.09
Tangible Net Worth	Rs.Crs.	37.91	9.27	-12.98
Total Debt /Tangible Net Worth	Times	4.84	19.65	-16.68
Current Ratio	Times	0.76	0.82	1.10

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KEY COVENANTS OF THE FACILITY RATED

Standard covenants applicable

RATING HISTORY FOR THE LAST THREE YEARS (including withdrawal and suspension)

Facilities	Current Rating (2026)			2026		2025		2024	
Type	**Tenure**	**Amount (Rs.Crs.)**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund Based	LT	27.89	BWR BB- /Stable/ Upgrade	9 July 2026	BWR D (Reaffirmation)	16 April 2025	BWR D / Assignment	NA	NA
FB SubLimit	LT	(5.60)	BWR BB- /Stable/ Upgrade)	9 July 2026	BWR D (Reaffirmation)	16 April 2025	BWR D / Assignment	NA	NA
		(0.50)	BWR BB- /Stable/ Upgrade	9 July 2026	BWR D (Reaffirmation)	16 April 2025	BWR D / Assignment	NA	NA
		(5.00)	BWR BB- /Stable/ Upgrade	9 July 2026	BWR D (Reaffirmation)	16 April 2025	BWR D / Assignment	NA	NA
		(3.00)	BWR BB- /Stable/ Upgrade	9 July 2026	BWR D (Reaffirmation)	16 April 2025	BWR D / Assignment	NA	NA
		(3.00)	BWR BB- /Stable/ Upgrade)	9 July 2026	BWR D (Reaffirmation)	16 April 2025	BWR D / Assignment	NA	NA
		(3.00)	BWR BB- /Stable/ Upgrade	9 July 2026	BWR D (Reaffirmation)	16 April 2025	BWR D / Assignment	NA	NA
FB Sub Limit	ST	(70.61)	BWR BB- /Stable/ Upgrade	9 July 2026	BWR D (Reaffirmation)	16 April 2025	BWR D / Assignment	NA	NA
Non Fund Based	LT	0.00	BWR BB- /Stable/ Upgrade	9 July 2026	BWR D (Reaffirmation)	16 April 2025	BWR D / Assignment	NA	NA
NFB Sub Limit	ST	(0.50)	BWR BB- /Stable/ Upgrade	9 July 2026	BWR D (Reaffirmation)	16 April 2025	BWR D / Assignment	NA	NA
Non Fund Based	LT	70.61	BWR BB- /Stable/ Upgrade)	9 July 2026	BWR D (Reaffirmation)	16 April 2025	BWR D / Assignment	NA	NA
Grand Total		**99.00**	**(Rupees Ninety-Nine Crores Only)**						

BRICKWORK RATINGS

STATUS OF NON-COOPERATION WITH PREVIOUS CRA

Credit Rating Agency	Status and Reason for Non-Cooperation	Date of Press Release
IVR	Due to non-submission of the relevant information	08 Dec 2025

ANY OTHER INFORMATION

Nil

Contacts	
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ANNEXURE I
Indian Acrylics Ltd
Details of Bank Loan Facilities rated by BWR

Name of the Bank	Type of Facilities	Tenure	Amount (Rs.Crs.)	Complexity of the Instrument
State Bank Of India (SBI)	CC	Long Term	7.39	Simple
	Sub-Limit (EPC) -Sanctioned	Long Term	(5.60)	Simple
Punjab National Bank (PNB)	CC	Long Term	17.5	Simple
	Sub-Limit (FOBNLC / FOUBNLC) -Sanctioned	Long Term	(5.00)	Simple
	Sub-Limit (Packing credit) -Sanctioned	Long Term	(5.00)	Simple
	ILC/FLC	Long Term	70.61	Simple
	Sub-Limit (Buyer's credit) -Sanctioned	Short Term	(70.61)	Simple
	Inland Letter of Guarantee	Short Term	0.50	Simple
HDFC	CC	Long Term	3.00	Simple
	Sub-Limit (export credit) -Sanctioned	Long Term	(3.00)	Simple
	Sub-Limit (letter of credit) -Sanctioned	Long Term	(3.00)	Simple
	Sub-Limit (working capital demand loan) -Sanctioned	Long Term	(3.00)	Simple
Total			**99.00**	**(Rupees Ninety Nine Crores Only)**

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.

ANNEXURE II
INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS

Instrument	Issue Date	Amount (Rs.Crs)	Coupon Rate (%)	Maturity Date	ISIN Particulars	Complexity of the Instrument
Nil	Nil	Nil	Nil	Nil	Nil	Nil

ANNEXURE III
List of entities consolidated
NIL

Name of Entity	% Ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil

Annexure IV: List of Instruments and Names of Regulators of the Instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

No.	Instrument/Activity Name	Regulator of the Instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $	RBI
19	Unlisted Security Receipts	RBI

20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference shares (all securities))	SEBI
22	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
23	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Brick Work Ratings India Private Limited (BWR) shall separately capture the rated quantum details along with names of respective regulators.
^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during the regulatory regime prior to the introduction of the SEBI CRA Circular dated Feb 10, 2026, and the investor-side regulators have accordingly been included.
$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

B.	Other Activities	Regulator of the Instruments
1	**Monitoring Agencies**	**SEBI**
2	**Research activities incidental to rating such as research for Economy, Industries and Companies**	**NA**

Grievance Management

For any grievances relating to rating of instruments regulated by SEBI, please contact sebigrievance@brickworkratings.com. Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

For any grievances relating to rating of instruments regulated by other FSR (Financial Services Regulators), please contact grievance@brickworkratings.com

Disclosure of Conflict of Interest

BWR Board of Directors has no influence over rating decisions, nor do they sit on the rating committees or review, discuss, or evaluate any credit ratings during the Board meetings.

About Brickwork Ratings

Brickwork Ratings (BWR) is a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and is accredited by the Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009, and its corporate office in Bengaluru. It has a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi, along with representatives in 150+ locations. Canara Bank is Brickwork's strategic partner.

Brickwork offers credit ratings of bank loans, non-convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit-enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporate and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

Disclaimer

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