



Brickwork Ratings India Pvt. Ltd.

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BWR/BLR/CHD/SRC/AM/1617/2020-21

08 June 2020

**The Director,
Garg Acrylics Limited,
Kangalwal Road, Grand Trunk Road,
V.P.O. Jugiana,
Ludhiana - 141120, Punjab**

Dear Sir

Sub: Rating of the Bank Loan Facilities of Garg Acrylics Limited (GAL) amounting to ₹ 669.78 Crores (INR Six Hundred and Sixty Nine Crores and Seventy Eight Lakhs Only)

Thank you for giving us an opportunity to undertake the Rating of the Bank Loan facilities sanctioned to your Company. Based on the information and clarifications provided by you, we are pleased to inform you that **Garg Acrylics Limited's** bank loan facilities aggregating ₹ 669.78 Crs have been assigned ratings as follows:

Facility	Limits (₹ Crs)	Tenure	Rating*
Fund Based Cash Credit Term Loans	361.30 187.98	Long Term	BWR BBB+/Negative
WHR Limits	105.00	Short Term	BWR A2
Non Fund Based LG/BG	15.50	Short Term	BWR A2
Total	669.78	INR Six Hundred and Sixty Nine Crores and Seventy Eight Lakhs Only	

**Please refer to BWR website www.brickworkratings.com for definition of the rating assigned*

Note: Details of bank wise facilities is as per Annexure-I

The Ratings are valid for twelve months subject to terms and conditions that were agreed in your mandate dated **06 March 2020** and other correspondence, if any, and Brickwork Ratings' standard disclaimer appended at the end of this letter.

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Garg Acrylics Limited

The rated Bank Loan facilities would be under surveillance during the said period. You are required to submit information periodically as per Annexure-II for the purpose of surveillance/review. You are also required to keep us informed of any information/ development that may affect your Company's finances/performance without any delay.

You are also requested to submit No Default Statement (NDS) on a monthly basis.

We are also enclosing the Rating Rationale. Please let us have your acceptance of the Rating and the Rating Rationale within two days of this letter date. Please note that unless acceptance is conveyed to us, the rating is not valid and should not be used for any purpose whatsoever.

Best Regards,

A handwritten signature in black ink, appearing to read "Ashwini Mital".

Ashwini Mital
Director - Ratings

Note: Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings web-site . Interested persons are well advised to refer to our website www.brickworkratings.com, If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com.

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

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Annexure-I

Sl. No.	Name of the Bank	Type of Facilities	Facility	Long Term (₹ Cr)	Short Term (₹ Cr)	Total (₹ Cr)
1	Punjab & Sind Bank (Lead bank)	Cash Credit Term Loans WHR Limits BG/LC	Fund Based Fund Based Fund Based Non Fund Based	154.00 60.08 - -	- - 55.00 0.20	269.28
2	Indian Bank (Formerly Allahabad Bank)	Cash Credit Term Loans BG/LC	Fund Based Fund Based Non Fund Based	24.20 20.00 -	- - 0.30	44.50
3	IDBI Bank	Cash Credit Term Loans BG/LC	Fund Based Fund Based Non Fund Based	22.00 24.00 -	- - 10.00	56.00
4	Punjab National Bank (Formerly OBC Bank)	Cash Credit Term Loans	Fund Based Fund Based	24.20 12.19	- -	36.39
5	Punjab National Bank	Cash Credit Term Loans BG/LC	Fund Based Fund Based Non Fund Based	86.90 71.71 -	- - 5.00	163.61
6	South Indian Bank	Cash Credit	Fund Based	50.00	-	50.00
7	State Bank of India (out of consortium)	WHR Limits	Fund Based	-	50.00	50.00
TOTAL				549.28	120.50	669.78

Garg Acrylics Limited

Annexure-II

The following documents/ information should be submitted to BWR:

1. Confirmation from the Company that all the terms and conditions stipulated in the Bank's Term loan sanction letter has been fully complied with.
2. Certified copy of periodical book debts/bills receivables statements submitted to the bank.
3. Confirmation about payment of installment and interest as and when paid.
4. Schedule of Term Loan installments and Interest due and payment made so far.
5. Certified copy of Quarterly Information Statements (QIS) and Half Yearly Information Statements (HYIS) submitted to the bank.
6. Certified copy of Banks' Statements of Accounts on a quarterly basis.
7. Quarterly / Half yearly financial statements (unaudited or with limited review) and Annual financial statements (provisional as well as audited).
8. Information on delays/defaults in servicing bank loans, letters of credit, letters of guarantee, NCDs, bonds and other borrowings, if any, by the Company as at the end of March, June, September and December each year.
9. Information on delays / defaults in servicing of debt obligations of any subsidiary / other group companies, if any, as at the end of March, June, September and December each year.
10. Any other statement / information sought by BWR from time to time.
11. All the aforesaid information shall be mailed to dat@brickworkratings.com