

Press Release

Guhan Textile Mills Private Limited

May 08, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 21.00 Cr. #
Long Term Rating	ACUITE D (Downgraded from ACUITE B-/Stable) Issuer not co-operating*
Short Term Rating	ACUITE D (Downgraded from ACUITE A4) Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuité has downgraded the long-term rating to '**ACUITE D**' (**read as ACUITE D**) from '**ACUITE B-**' (**read as ACUITE B minus**) and short term rating to '**ACUITE D**' (**read as ACUITE D**) from '**ACUITE A4**' (**read as ACUITE A four**) to the Rs. 21.00 crore bank facilities of Guhan Textile Mills Private Limited (GTPL). This rating is now an indicative rating and is based on best available information.

The downgrade is in view of delays in servicing the debt obligations.

GTPL, incorporated in 1992, is managed by Mr. Karuppusamy and his family members. It is engaged in manufacturing of cotton hosiery combed and slab yarns ranging from 25 to 66s counts. GTPL has its manufacturing unit at Vedasandur in Dindigul district (Tamil Nadu). The company has an installed capacity of 40944 spindles and production capacity of 9000 kgs per day. The company is utilising 90-95 percent of its production facilities.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
06-Mar-2018	Term Loans	Long Term	14.00	ACUITE B- / Stable (Reaffirmed)
	Term Loans	Long Term	1.70	ACUITE B- / Stable (Reaffirmed)
	Buyers Credit	Short Term	2.00	ACUITE A4 (Reaffirmed)
	Letter of Credit	Short Term	3.00	ACUITE A4 (Reaffirmed)
	Proposed	Long Term	0.30	ACUITE B-/ Stable (Reaffirmed)
05-Dec-2016	Cash Credit	Long Term	14.00*	ACUITE B- / Stable (Suspension Revoked, Rating Assigned)
	Term Loan	Long Term	2.55#	ACUITE B- / Stable (Suspension Revoked, Rating Assigned)
	Buyer's Credit	Short Term	0.65	ACUITE A4 (Suspension Revoked, Rating Assigned)
	Letter of Credit	Short Term	3.00	ACUITE A4 (Suspension Revoked, Rating Assigned)
	Proposed Cash Credit	Long Term	0.80	ACUITE B- / Stable (Suspension Revoked, Rating Assigned)
02-Nov-2015	Cash Credit	Long Term	12.00^	ACUITE D (Suspended)
	Term Loan	Long Term	5.90	ACUITE D (Suspended)
	Letter of Credit	Short Term	3.00	ACUITE D (Suspended)

*Sublimit of CCBD of Rs.5.00 crore

#Availed only Rs.2.55 crore out of Rs.5.00 crore of term loan

^Includes CC as a sublimit to the extent of Rs.5.00 crore

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs.Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	14.00	ACUITE D (Downgraded from ACUITE B- / Stable) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	2.55	ACUITE D (Downgraded from ACUITE B- / Stable) Issuer not co-operating*
Buyer's Credit	Not Applicable	Not Applicable	Not Applicable	0.65	ACUITE D (Downgraded from ACUITE A4) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE D (Downgraded from ACUITE A4) Issuer not co-operating*
Proposed Fund Based Facility	Not Applicable	Not Applicable	Not Applicable	0.80	ACUITE D (Downgraded from ACUITE B- / Stable)

					Issuer not co-operating*
--	--	--	--	--	--------------------------

*The issuer did not co-operate; Based on best available information.

Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in
Grishma Muni Analyst - Rating Operations Tel: 022-49294075 grishma.muni@acuiteratings.in	

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.