

### Shreebhav Polyknits Private Limited: Downgraded

Facilities	Amount (Rs. Crore)	Ratings/Outlook
Working Capital Limit	13.50	SMERA D (Downgraded from SMERA BBB-/Stable)
Term Loan – I*	7.70	SMERA D (Downgraded from SMERA BBB-/Stable)
Term Loan – II*	3.60	SMERA D (Downgraded from SMERA BBB-/Stable)
Bank Guarantee	0.48	SMERA D (Downgraded from SMERA A3)

\*Includes one-time project letter of credit within term loan limit to the extent of Rs.2.51 crore from import of machinery

SMERA has downgraded the ratings on the Rs.25.28 crore bank facilities of Shreebhav Polyknits Private Limited (SPPL) to '**SMERA D**' (read SMERA D) from '**SMERA BBB-**' (read as SMERA triple B minus) and '**SMERA A3**' (read as SMERA A three). The outlook is '**Stable**'.

The rating reflects delays in servicing of debt by the company and its stretched liquidity position.

#### Rating Sensitivity Factor

- Curing of debt

#### Criteria applied to arrive at the rating:

- Manufacturing entities

#### About The Company

SPPL, incorporated in 2002 was promoted by Mr. Sanjay Agarwal and Mrs. Shalini Agarwal to manufacture twisted yarn and fabrics (knitted, polyester grey fabric and embroidery fabric). The manufacturing facilities are located at Surat, Gujarat.

#### About the Group

SPPL is a Surat-based company incorporated in 2005 by Mr. Sanjay Agarwal and Mrs. Shalini Agarwal. The company manufactures twisted yarn and fabrics and also undertakes job work related to embroidery designs.

As per FY2015-16, SPPL reported net profit after tax (PAT) of Rs.0.89 crore on operating income of Rs.82.85 crore as against PAT of Rs.0.88 crore on operating income of Rs.79.04 crore in the previous year.

**Rating History:**

Date	Facilities	Amount (Rs. Crore)	Ratings		Rating Outlook
			Long Term	Short Term	
11 Sept, 2015	Working Capital Limit	13.50	SMERA BBB- (Assigned)	-	Stable
	Term Loan – I*	7.70	SMERA BBB- (Assigned)	-	Stable
	Term Loan – II*	3.60	SMERA BBB- (Assigned)	-	Stable
	Bank Guarantee	0.48	-	SMERA A3 (Assigned)	-

\*Includes one-time project letter of credit with in term loan limit to the extent of Rs.2.51 crore from import of machinery

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