

## Press Release

Shreebhav Polyknits Private Limited (SPPL)

May 21, 2018



### Rating Downgraded

<b>Total Bank Facilities Rated*</b>	Rs.27.33 Cr#
<b>Long Term Rating (Indicative)</b>	SMERA BB- (Issuer not co-operating*; migrated from SMERA BBB-/Stable)
<b>Short Term Rating (Indicative)</b>	SMERA A4 (Issuer not co-operating*; migrated from SMERA A3)

#Refer Annexure for details

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

SMERA has migrated the long term rating to '**SMERA BB-** (read as SMERA double B minus) from '**SMERA BBB-** (read as SMERA triple B minus) and short term rating to '**SMERA A4**' (read as SMERA A four) from '**SMERA A3**' (read as SMERA A three) on the Rs.27.33 crore bank facilities of Shreebhav Polyknits Private Limited. This rating is now an indicative rating and is based on best available information.

The rating downgrade reflects decline in revenues in FY2018 (refers to financial year, April 1<sup>st</sup> to March 31<sup>st</sup>) to ~Rs.61 crore (provisional) as compared to Rs.91.72 crore. SMERA believes that decline in revenue might lead to tightly matched cash accruals to service its debt obligations; and the downgrade also factors in inadequacy of the data and the banker's opinion on the account conduct to take the appropriate rating action.

**Non-cooperation by the issuer/borrower:** SMERA 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 SMERA's policies.

### Applicable Criteria

- Manufacturing Entities: <https://www.smera.in/criteria-manufacturing.htm>
- Default Recognition: <https://www.smera.in/criteria-default.htm>
- Financial Ratios and Adjustments: <https://www.smera.in/criteria-fin-ratios.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). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### About the Rated Entity:

Shreebhav Polyknits Private Limited (SPPL) was incorporated and promoted by Mr. Sanjay Agarwal and Mrs. Shalini Agarwal in 2002 for the manufacture of twisted yarn and knitted fabrics, Polyester grey fabric and embroidery fabric. The company has its manufacturing facilities located in Surat, Gujarat.

**Any other information:** "SMERA is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups".

### Rating History for the last three years:

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
06-Mar-2017	Cash Credit	Long Term	13.50	SMERA BBB- / Stable (Upgraded)
	Term Loan	Long Term	7.70	SMERA BBB- / Stable (Upgraded)
	Term Loan	Long Term	3.60	SMERA BBB- / Stable (Upgraded)
	Term Loan	Long Term	1.80	SMERA BBB- / Stable (Assigned)
	Bank Guarantee	Short Term	0.73	SMERA A3 (Upgraded)
05-Dec-2016	Working Capital Demand Loan	Long Term	13.50	SMERA D (Downgraded)
	Term Loan	Long Term	7.70	SMERA D (Downgraded)
	Term Loan	Long Term	3.60	SMERA D (Downgraded)
	Bank Guarantee	Short Term	0.48	SMERA D (Downgraded)
11-Sep-2015	Working Capital Demand Loan	Long Term	13.50	SMERA BBB- / Stable (Assigned)
	Term Loan	Long Term	7.70	SMERA BBB- / Stable (Assigned)
	Term Loan	Long Term	3.60	SMERA BBB- / Stable (Assigned)
	Bank Guarantee	Short Term	0.48	SMERA A3 (Assigned)

### Annexure – Details of instruments rated:

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Cash Credit	NA	NA	NA	13.50	SMERA BB- (Indicative)
Term Loan	NA	NA	NA	7.70	SMERA BB- (Indicative)
Term Loan	NA	NA	NA	3.60	SMERA BB- (Indicative)
Term Loan	NA	NA	NA	1.80	SMERA BB- (Indicative)

Bank Guarantee	NA	NA	NA	0.73	SMERA A4 (Indicative)
----------------	----	----	----	------	--------------------------

**Contacts:**

Analytical	Rating Desk
Suman Chowdhury President – SMERA Bond Ratings Tel: +91-22-6714 1107 Email: <a href="mailto:suman.chowdhury@smera.in">suman.chowdhury@smera.in</a>	Varsha Bist Sr. Executive Tel: 022-67141160 Email: <a href="mailto:varsha.bist@smera.in">varsha.bist@smera.in</a>
Sethu Madhav Putti Rating Analyst Tel: +91-22-6714 1128 Email: <a href="mailto:sethu.madhav@smera.in">sethu.madhav@smera.in</a>	

**ABOUT SMERA**

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit [www.smera.in](http://www.smera.in).

**Disclaimer:** A SMERA 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. SMERA 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, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA 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. SMERA 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.smera.in](http://www.smera.in)) for the latest information on any instrument rated by SMERA.