

Press Release

T.C. Terrytex Limited

13 March, 2018



Rating Update

Total Bank Facilities Rated*	Rs.190.00 Cr
Long Term Rating (Indicative)	SMERA BBB- Issuer not co-operating**
Short Term Rating (Indicative)	SMERA A3 Issuer not co-operating**

#Refer Annexure for details

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

SMERA has reviewed the long term rating of '**SMERA BBB-**' (read as **SMERA triple B minus**) and short term rating of '**SMERA A3**' (read as **SMERA A three**) on the Rs. 190.00 crore bank facilities of T. C. Terrytex Limited (TCTL). This rating is now an indicative rating and is based on best available information.

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

- Default Recognition: <https://www.smera.in/criteria-default.htm>
- Financial Ratios and Adjustments: <https://www.smera.in/criteria-fin-ratios.htm>
- Manufacturing Entities: <https://www.smera.in/criteria-manufacturing.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 endeavored 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:

TCTL incorporated in 2005 is a Punjab based company, was promoted by Mr. Akhil Satia. The company manufactures and exports dyed yarn and terry towel. It manufactures dyed yarn and terry towels at its facilities in Punjab and sells the same in the domestic market and also exports to Australia, USA, Germany and Netherlands. The company is managed by Mr. Akhil Satia, who possesses more than a decade experience in the textile industry. The manufacturing capacity of

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towel is 20 ton per day with the installed capacity of 26 ton per day and Yarn is 15 ton per day with the installed capacity of 15-16 tonne per day.

For FY2015-16, the company reported profit after tax (PAT) of Rs.1.75 crore on operating income of Rs.379.65 crore, as compared with PAT of Rs.1.53 crore on operating income of Rs.365.19 crore in FY2014-15. The net worth stood at Rs.100.01 crore as on March 31, 2016 against Rs.94.23 crore a year earlier.

Rating History for the last three years:

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
18 Dec, 2015	Cash Credit	Long Term	96.50	SMERA BBB-/Stable (Assigned)
	Term Loan	Long Term	55.99	SMERA BBB-/Stable (Assigned)
	Letter of Credit	Short Term	22.00	SMERA A3 (Assigned)
	Forward Contract Limit	Short Term	2.89	SMERA A3 (Assigned)
	Bank Guarantee	Short Term	2.00	SMERA A3 (Assigned)
	Standby Limit under exposure gold card	Short Term	3.50	SMERA A3 (Assigned)
	Standby line of Credit	Short Term	3.50	SMERA A3 (Assigned)
	Proposed Facilities	Short Term	3.62	SMERA BBB-/Stable/A3 (Assigned)
21 Dec, 2016	Cash Credit*#@	Long Term	106.00 (enhanced from Rs. 96.50 crore)	SMERA BBB-/Stable (Reaffirmed)
	Term Loan^	Long Term	41.35 (reduced from Rs. 55.99 crore)	SMERA BBB-/Stable (Reaffirmed)
	Bill Discounting	Short Term	5.00	SMERA A3 (Assigned)
	Letter of Credit	Short Term	22.00	SMERA A3 (Assigned)

Forward Contract Limit	Short Term	3.46 (enhanced from Rs. 2.89 crore)	SMERA A3 (Reaffirmed)
Bank Guarantee	Short Term	2.00	SMERA A3 (Reaffirmed)
Standby Limit under exposure gold card	Short Term	3.50	SMERA A3 (Reaffirmed)
Standby line of Credit	Short Term	5.00 (enhanced from Rs. 3.50 crore)	SMERA A3 (Reaffirmed)
Proposed Facilities	Short Term	0.69 (reduced from Rs. 3.62 crore)	SMERA BBB- /Stable/A3 (Reaffirmed)

*Sub limit is EPC/FBD to the extent of Rs.7.17 crore, FBP (Non LC) to the extent of Rs.4.17 crore and EBUC (ODBC) to the extent of Rs.1.00 crore within overall CC limit.

#Sub limit is PC/PCFC to the extent of Rs.2.00 crore and FDBP (Non LC) to the extent of Rs.1.50 crore.

@Sublimit is packing credit to the extent of Rs.1.50 crore and FDDBP/FDUBD/RDBF/RUBF/AAABC to the extent of Rs.1.83 crore.

^Sublimit is FLC within term loan for one year.

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	106.00	SMERA BBB-Issuer not co-operating**
Term Loan^^	NA	NA	NA	41.35	SMERA BBB-Issuer not co-operating**
Bill Discounting	NA	NA	NA	5.00	SMERA A3 Issuer not co-operating**
Letter of Credit	NA	NA	NA	23.00	SMERA A3 Issuer not co-operating**
Forward Contract Limit	NA	NA	NA	3.46	SMERA A3 Issuer not co-operating**
Bank Guarantee	NA	NA	NA	2.00	SMERA A3 Issuer not co-

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					operating**
Standby Limit under exposure gold card	NA	NA	NA	3.50	SMERA A3 Issuer not co-operating**
Standby line of Credit	NA	NA	NA	5.00	SMERA BBB-/Stable/A3 Issuer not co-operating**
Proposed Facilities	NA	NA	NA	0.69	SMERA BBB-/Stable Issuer not co-operating**

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

&Sub limit is EPC/FBD to the extent of Rs.7.17 crore, FBP (Non LC) to the extent of Rs.4.17 crore and EBUC (ODBC) to the extent of Rs.1.00 crore within overall CC limit.

\$Sub limit is PC/PCFC to the extent of Rs.2.00 crore and FDBP (Non LC) to the extent of Rs.1.50 crore.

%Sublimit is packing credit to the extent of Rs.1.50 crore and FDDBP/FDUBD/RDBF/RUBF/AAABC to the extent of Rs.1.83 crore.

^^Sublimit is FLC within term loan for one year.

Contacts:

Analytical	Rating Desk
Suman Chowdhury President - SMERA Bond Ratings, Tel: 022-67141107 Email: suman.chowdhury@smera.in Shashikala Hegde, Senior Rating Analyst, Tel: 022-67141321 Email: shashikala.hegde@smera.in	Varsha Bist Manager-Rating Desk Tel: 022-67141160 Email: varsha.bist@smera.in

ABOUT SMERA

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