

Press Release

Samruddhi Industries Limited

April 30, 2021

Rating Update



Total Bank Facilities Rated	Rs. 57.18 crore #
Long Term Rating	ACUITE BB (Downgraded from ACUITE BB+/Stable) Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB'**(read as **ACUITE double B**) from '**ACUITE BB+**'(read as **ACUITE double B plus**) and reviewed the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.57.18 crore bank facilities of Samruddhi Industries Limited. This rating is now an indicative rating and is based on the best available information.

Maharashtra based, Samruddhi Industries Limited (SIL) was incorporated in 1992. The company is engaged in manufacturing of plastic products such as boxes, crates, vessels, bins, drums, kitchen essentials for household use; crates, drums, cans for industrial use. SIL has 4 plants, out of which two are located in Sangli, Maharashtra and one each in Uttarakhand and Andhra Pradesh. The company is promoted by Mr. Narayan Malu along with his sons Mr. Ramakant Malu, Mr. Omprakash Malu and Mr. Pramod Malu

Non-cooperation by the issuer/borrower

Acuite 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.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.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). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Position

No information provided by the issuer/ available for Acuite to comment upon.

Rating Sensitivities

No information provided by the issuer/ available for Acuite to comment upon.

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)

None

Any other information

Acuité has received the latest No Default Statement (NDS) from the rated entity.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
04-Feb-2020	Cash Credit	Long Term	20.00	ACUITE BB+/ Stable (Reaffirmed)
	Term Loan	Long Term	22.06	ACUITE BB+ (Withdrawn)
	Working Capital Demand Loan	Long Term	6.00	ACUITE BB+ (Withdrawn)
	Term Loan	Long Term	5.00	ACUITE BB+/ Stable (Assigned)
	Term Loan	Long Term	2.18	ACUITE BB+/ Stable (Assigned)
	Cash Credit	Long Term	9.00	ACUITE BB+/ Stable (Assigned)
	Proposed Bank Facility	Proposed	4.00	ACUITE BB+/ Stable (Assigned)
	Proposed Bank Facility	Proposed	2.00	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	15.00	ACUITE A4+ (Reaffirmed)
18-Dec-2019	Cash Credit	Long term	25.00	ACUITE BB+ Issuer not cooperating*
	Term Loan	Long term	22.06	ACUITE BB+ Issuer not cooperating*
	Working Capital Demand Loan	Long term	6.00	ACUITE BB+ Issuer not cooperating*
	Letter of Credit	Short term	15.00	ACUITE A4+ Issuer not cooperating*
22-Sep-2018	Cash Credit	Long term	25.00	ACUITE BB+ Issuer not co-operating*
	Term Loan	Long term	22.06	ACUITE BB+ Issuer not cooperating*
	Working Capital Demand Loan	Long term	6.00	ACUITE BB+ Issuer not cooperating*
	Letter of Credit	Short term	15.00	ACUITE A4+ Issuer not cooperating*

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Overdraft	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loan	Not Available	Not Applicable	Not Available	5.00	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Term Loan	Not Available	Not Applicable	Not Available	2.18	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	9.00	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE A4+ Issuer not co-operating*
Proposed Facilities	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
Proposed Facilities	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4+ Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research 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.

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