Press Release

Samruddhi Industries Limited

July 29, 2022

Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	17.00	-	ACUITE A4+ | Reaffirmed | Issuer not co-operating*
Bank Loan Ratings	40.18	ACUITE BB- | Downgraded | Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	57.18	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has downgraded the long-term rating to **'ACUITE BB-'(read as ACUITE double B minus)** from **'ACUITE BB'(read as ACUITE double B)** and reaffirmed 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. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

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:

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. Acuité 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 Acuité's policies

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.

Rating Sensitivity

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

Material Covenants

Not applicable

Liquidity Position

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

Outlook

Not applicable

Status of non-cooperation with previous CRA

None

Any other information

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

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

https://www.acuite.in/view-rating-criteria-55.htm

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
30 Apr 2021	Letter of Credit	Short Term	15.00	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	2.18	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Short Term	2.00	ACUITE A4+ (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	4.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	5.00	ACUITE BB (Downgraded and Issuer not co-operating*)

	Cash Credit	Long Term	9.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	20.00	ACUITE BB (Downgraded and Issuer not co-operating*)
04 Feb 2020	Proposed Bank Facility	Long Term	6.00	ACUITE BB+ | Stable (Assigned)
	Letter of Credit	Short Term	15.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BB+ | Stable (Reaffirmed)
	Term Loan	Long Term	22.06	ACUITE BB+ (Withdrawn)
	Cash Credit	Long Term	9.00	ACUITE BB+ | Stable (Assigned)
	Term Loan	Long Term	5.00	ACUITE BB+ | Stable (Assigned)
	Term Loan	Long Term	2.18	ACUITE BB+ | Stable (Assigned)
	Working Capital Demand Loan	Long Term	6.00	ACUITE BB+ (Withdrawn)
18 Dec 2019	Letter of Credit	Short Term	15.00	ACUITE A4+ (Issuer not co-operating*)
	Working Capital Demand Loan	Short Term	6.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	25.00	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	22.06	ACUITE BB+ (Issuer not co-operating*)
22 Sep 2018	Letter of Credit	Short Term	15.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	25.00	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	22.06	ACUITE BB+ (Issuer not co-operating*)
	Working Capital Demand Loan	Short Term	6.00	ACUITE A4+ (Issuer not co-operating*)
18 Aug 2017	Cash Credit	Long Term	25.00	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	22.06	ACUITE BB+ (Issuer not co-operating*)
	Working Capital Demand Loan	Short Term	6.00	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	15.00	ACUITE A4+ (Issuer not co-operating*)
05 Apr 2016	Cash Credit	Long Term	25.00	ACUITE BB+ | Stable (Assigned)
	Term Loan	Long Term	22.06	ACUITE BB+ | Stable (Assigned)
	Working Capital Demand Loan	Short Term	6.00	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	15.00	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Kotak Mahindra Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	9.00	ACUITE BB- | Downgraded | Issuer not co-operating*
Karnataka Bank Ltd	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE A4+ | Reaffirmed | Issuer not co-operating*
Karnataka Bank Ltd	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE BB- | Downgraded | Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE BB- | Downgraded | Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Short Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4+ | Reaffirmed | Issuer not co-operating*
Karnataka Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	5.00	ACUITE BB- | Downgraded | Issuer not co-operating*
Karnataka Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	2.18	ACUITE BB- | Downgraded | Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.