

Press Release

Providence Textiles

July 08, 2021

Rating Withdrawn



Total Bank Facilities Rated*	Rs.14.29 Cr.
Long Term Rating	ACUITE B+ (Withdrawn and Indicative#)
Short Term Rating	ACUITE A4 (Withdrawn and Indicative#)

* Refer Annexure for details

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

Rating Rationale

Acuite has withdrawn the long term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and the short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.14.29 crore bank facilities of Providence Textiles. This rating is an indicative rating and is based on the best available information.

The rating withdrawal is in accordance with Acuite's policy on withdrawal of ratings. The rating is being withdrawn on account of request received from the company and no objection certificate (NOC) received from the banker.

About the rated entity

Providence textile was incorporated as a partnership firm in 2011 by Mr Sanjay Bansal. The firm is engaged in the trading of woollen yarn and garments in domestic and export markets and is based in Ludhiana, Punjab. The partners of the firm are Mr Sanjay Bansal and Mrs. Kanika Bansal and majority of the firm's exports are to European countries such as Italy, Spain and Ireland etc. Currently, operations of the firm are overseen by Mr. Sanjay Bansal has more than a decade of experience in the textiles business and he is also one of the directors of Bansal Spinning Mills Limited.

Non Cooperation by the issuer

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 the 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 continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Liquidity Indicators - "No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity - "No information provided by the issuer / available for Acuite to comment upon."

Applicable Criteria

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

Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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 endeavored 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.

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)

Not applicable

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
17-Mar-2021	Cash Credit	Long Term	7.99	ACUITE B+ (Indicative)
	Term Loan	Long Term	3.30	ACUITE B+ (Indicative)
	Bill Discounting	Short Term	1.00	ACUITE A4 (Indicative)
	FLC	Short Term	2.00	ACUITE A4 (Indicative)
19-Dec-2019	Cash Credit	Long Term	7.99	ACUITE B+ (Issuer Not Co-operating)
	Term Loan	Long Term	3.30	ACUITE B+ (Issuer Not Co-operating)
	Bill Discounting	Short Term	1.00	ACUITE A4 (Issuer Not Co-operating)
	Letter of Credit	Short Term	2.00	ACUITE A4 (Issuer Not Co-operating)
08-Oct-2018	Cash Credit	Long Term	7.99	ACUITE B+/Stable (Reaffirmed)
	Term Loan	Long Term	3.30	ACUITE B+/Stable (Assigned)
	Bill Discounting	Short Term	1.00	ACUITE A4 (Reaffirmed)
	Letter of Credit	Short Term	2.00	ACUITE A4 (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.99	ACUITE B+ (Withdrawn & Indicative)
Term Loan	Not Available	Not Available	Not Available	3.30	ACUITE B+ (Withdrawn & Indicative)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4 (Withdrawn & Indicative)
Bill Discounting	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4 (Withdrawn & Indicative)

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.

Disclaimer: *An Acuité 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. Acuité 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, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité 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. Acuité 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.acuite.in) for the latest information on any instrument rated by Acuité.*