

Press Release

Satia Synthetics Limited

November 19, 2018



Rating Update

Total Bank Facilities Rated*	Rs. 131.12 Cr.#
Long Term Rating	ACUITE D Issuer not co-operating*
Short Term Rating	ACUITE D Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has reviewed the long-term rating of '**ACUITE D (read as ACUITE D)**' and short term rating of '**ACUITE D (read as ACUITE D)**' on the Rs.131.12 crore bank facilities of Satia Synthetics Limited. This rating is now an indicative rating and is based on best available information.

Punjab based, Satia Synthetic Limited (SSL), incorporated in 1992 is a joint venture between by Mr Anil Satia (57%) and Punjab State Industrial Development Corporation (PSIDC-28%) and commenced commercial operations in 1997. The company is engaged in manufacturing of cotton yarn of 20s, 25s, 30s and 34s counts. SSL had its manufacturing facilities located at Muktsar, Punjab. SSL started manufacturing cotton yarn with 6048 spindles in 1997 and gradually expanded the capacity to current level i.e. 55,248 spindles (i.e.13,493 MT) as on March 31, 2014. The promoter of SSL, Mr Anil Satia is also a promoter director of T.C. Terrytex Limited (TCTL) which is engaged in manufacturing of terry towels, grey yarn and dyed yarn.

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.

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

Applicable Criteria

- Default Recognition -<https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities -<https://www.acuite.in/view-rating-criteria-4.htm>
- Application Of Financial Ratios And Adjustments -<https://www.acuite.in/view-rating-criteria-40.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). 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:

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	275.73	252.68	257.43
EBITDA	Rs. Cr.	20.71	25.55	27.50
PAT	Rs. Cr.	0.27	1.10	0.33
EBITDA Margin	(%)	7.51	10.11	10.68
PAT Margin	(%)	0.10	0.43	0.13

ROCE (%)	(%)	8.79	12.50	27.81
Total Debt/Tangible Net Worth	Times	2.40	2.51	2.03
PBDIT/Interest	Times	1.29	1.26	1.20
Total Debt/PBDIT	Times	6.67	4.95	4.06
Gross Current Assets (Days)	Days	285	259	225

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuité 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
27th Sep 17	Cash Credit I	Long term	26.00	ACUITE D (Downgraded from B)
	Cash Credit II	Long term	10.00	ACUITE D (Downgraded from B)
	Cash Credit III	Long term	28.00	ACUITE D (Downgraded from B)
	Cash Credit IV	Long term	16.00	ACUITE D (Downgraded from B)
	Cash Credit V	Long term	10.00	ACUITE D (Downgraded from B)
	Term Loan I	Long term	18.00	ACUITE D (Downgraded from B)
	Term Loan II	Long term	2.03	ACUITE D (Downgraded from B)
	Term Loan III	Long term	2.59	ACUITE D (Downgraded from B)
	Letter of Credit I	Short Term	3.70	ACUITE D (Downgraded from A4)
	Bank Guarantee	Short Term	1.50	ACUITE D (Downgraded from A4)
	Letter of Credit II	Short Term	6.15	ACUITE D (Downgraded from A4)
	Letter of Credit III	Short Term	7.15	ACUITE D (Downgraded from A4)
8th Jun 16	Cash Credit I	Long term	26.00	ACUITE B (Assigned)
	Cash Credit II	Long term	10.00	ACUITE B (Assigned)
	Cash Credit III	Long term	28.00	ACUITE B (Assigned)

	Cash Credit IV	Long term	16.00	ACUITE B (Assigned)
	Cash Credit V	Long term	10.00	ACUITE B (Assigned)
	Term Loan I	Long term	18.00	ACUITE B (Assigned)
	Term Loan II	Long term	2.03	ACUITE B (Assigned)
	Term Loan III	Long term	2.59	ACUITE B (Assigned)
	Letter of Credit I	Short Term	3.70	ACUITE A4 (Assigned)
	Bank Guarantee	Short Term	1.50	ACUITE A4 (Assigned)
	Letter of Credit II	Short Term	6.15	ACUITE A4 (Assigned)
	Letter of Credit III	Short Term	7.15	ACUITE A4 (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit I	Not Applicable	Not Applicable	Not Applicable	26.00	ACUITE D Issuer not co-operating*
Cash Credit II	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE D Issuer not co-operating*
Cash Credit III	Not Applicable	Not Applicable	Not Applicable	28.00	ACUITE D Issuer not co-operating*
Cash Credit IV	Not Applicable	Not Applicable	Not Applicable	16.00	ACUITE D Issuer not co-operating*
Cash Credit V	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE D Issuer not co-operating*
Term Loan I	Not Applicable	Not Applicable	Not Applicable	18.00	ACUITE D Issuer not co-operating*
Term Loan II	Not Applicable	Not Applicable	Not Applicable	2.03	ACUITE D Issuer not co-operating*
Term Loan III	Not Applicable	Not Applicable	Not Applicable	2.59	ACUITE D Issuer not co-operating*
Letter of Credit I	Not Applicable	Not Applicable	Not Applicable	3.70	ACUITE D Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE D Issuer not co-operating*
Letter of Credit II	Not Applicable	Not Applicable	Not Applicable	6.15	ACUITE D Issuer not co-operating*
Letter of Credit III	Not Applicable	Not Applicable	Not Applicable	7.15	ACUITE D Issuer not co-operating*

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings 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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