

Press Release

Geena Garments

December 13, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 27.00 Cr. #
Long Term Rating	ACUITE BB (Downgraded from ACUITE BBB-) Issuer not co-operating*

Refer Annexure for details

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

Acuité has downgraded the long-term rating of Geena Garments (GG) to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 27.00 crore bank facilities. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

GG, a proprietorship firm established in 1968 by Mr. A Loganathan, was converted into a partnership firm in 1991. The firm is engaged in the manufacturing and export of knitwear and readymade garments (RMG) to U.S.A, Spain and France. It is headed by partners Mr. A. Laganathan, Mr. L. Dinesh Kumar and Mr. Mohan Shankar. The firm is a part of the Tamil Nadu-based Geena Group, incorporated in 1968, comprising three entities - GG, Victus Dyeings (VD) and Print Tex India (PTI).

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.

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). Acuité endeavored 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.

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

Not Applicable

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
05-Jan-2019	Term Loans	Long Term	2.14	ACUITE BBB- (Indicative)
	Cash Credit	Long Term	2.00	ACUITE BBB- (Indicative)
	Export Packing Credit (EPC/PCFC) ^	Long Term	13.00	ACUITE BBB- (Indicative)
	Foreign Documentary Bills Negotiation (FDBN) ^	Long Term	5.00	ACUITE BBB- (Indicative)
	Proposed Long Term Loan	Long Term	4.86	ACUITE BBB- (Indicative)
15-Nov-2017	Term Loans	Long Term	2.14	ACUITE BBB- (Indicative)
	Cash Credit	Long Term	2.00	ACUITE BBB- (Indicative)
	Export Packing Credit (EPC/PCFC) ^	Long Term	13.00	ACUITE BBB- (Indicative)
	Foreign Documentary Bills Negotiation (FDBN) ^	Long Term	5.00	ACUITE BBB- (Indicative)
	Proposed Long Term Loan	Long Term	4.86	ACUITE BBB- (Indicative)

^Continuation of 50% interchangeability from EPC to FDBN (Non-LC) limits and 100% interchangeability from FDBN (Non-LC) to EPC.

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Term Loans	Not Applicable	Not Applicable	Not Applicable	2.14	ACUITE BB (Downgraded from ACUITE BBB-) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE BB (Downgraded from ACUITE BBB-) Issuer not co-operating*
Export Packing Credit (EPC/PCFC) ^	Not Applicable	Not Applicable	Not Applicable	13.00	ACUITE BB (Downgraded from ACUITE BBB-) Issuer not co-operating*
Foreign Documentary Bills Negotiation (FDBN) ^	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE BB (Downgraded from ACUITE BBB-) Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	4.86	ACUITE BB (Downgraded from ACUITE BBB-) Issuer not co-operating*

^Continuation of 50% interchangeability from EPC to FDBN (Non-LC) limits and 100% interchangeability from FDBN (Non-LC) to EPC.

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

Contacts

Analytical	Rating Desk
<p>Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuute.in</p> <p>Sushmita Murai Analyst - Rating Operations Tel: 022-49294045 sushmita.murai@acuute.in</p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-49294011 rating.desk@acuute.in</p>

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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