

Press Release

Malar Textiles

10 January, 2018

Rating Update



Total Bank Facilities Rated*	Rs.8.00 Cr
Long Term Rating (Indicative)	SMERA B Issuer not co-operating*

#Refer Annexure for details

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

SMERA has reviewed the long term rating of '**SMERA B** (read as SMERA B) on the Rs.8.00 crore bank facilities of Malar Textiles. This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower: SMERA 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 SMERA's policies.

Applicable Criteria

- Manufacturing Entities: <https://www.smera.in/criteria-manufacturing.htm>
- Default Recognition: <https://www.smera.in/criteria-default.htm>
- Financial Ratios and Adjustments: <https://www.smera.in/criteria-fin-ratios.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). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity:

The Coimbatore-based Malar Textile, established as a partnership firm in 1997, manufactures grey fabrics. The firm has 28 weaving looms and has taken 500 looms on rent for job work. The installed capacity is 1.70 lakh meter per week.

For FY2015-16, Malar Textile reported net profit of Rs.0.03 crore on operating income of Rs.20.69 crore as against net income of Rs.0.02 crore on operating income of Rs.20.49 crore in the previous year.

Rating History for the last three years:

SMERA Ratings Limited

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
24 th -October-2016	Cash Credit	Long term	4.25	SMERA B/Stable (Assigned)
	Term loan	Long term	0.66	SMERA B/Stable (Assigned)
	Proposed Term Loan	Long term	3.06	SMERA B/Stable (Assigned)
	Proposed Working Capital Demand Loan	Long term	0.03	SMERA B/Stable (Assigned)

Annexure – Details of instruments rated:

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Cash credit	NA	NA	NA	4.25	SMERA B Issuer not co-operating*
Term loans	NA	NA	NA	0.66	SMERA B Issuer not co-operating*
Proposed Long Term Loan	NA	NA	NA	3.06	SMERA B Issuer not co-operating*
Proposed Working Capital Demand Loan	NA	NA	NA	0.03	SMERA B Issuer not co-operating*

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

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ABOUT SMERA

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