

Press Release

Select Exim

June 02, 2018

Rating Update



| | |
|-------------------------------------|--------------------------------------|
| Total Bank Facilities Rated* | Rs. 15.00 Cr. |
| Long Term Rating | ACUITE C Issuer not co-operating* |

* Refer Annexure for details

Rating Rationale

Acuite has reviewed long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and downgraded rating to '**ACUITE C**' (read as **ACUITE C**) on the Rs.15.00 crore bank facilities of Select Exim (SE). This rating is now an indicative rating and is based on best available information. The downgrade is on account of payment delays by the company.

Non-cooperation by the issuer/borrower: 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 due date.

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

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

About the rated entity: SE, established in 2011 is a Chennai-based partnership firm promoted by Mr. Azam Khan and his brother, Mr. Mohammed Salaieh A. The firm procures processed steel from SMPC Industries to manufacture dish antennas for Direct to Home (DTH) service providers. It caters to Bharati Airtel and TATA Sky.

On consolidated basis, the Select Galva Group reported net profit after tax (PAT) of Rs. 0.75 cr on operating income of Rs. 127.92 cr in FY2015-16 compared to PAT of Rs. 0.23 cr on operating income of Rs.173.27 cr in the previous year. The net worth stood at Rs.19.39 cr as on March 31, 2016 compared to Rs.19.97 cr a year earlier.

Applicable Criteria

- Default Recognition-<https://www.acuite.in/view-rating-criteria-17.htm>
- Financial Ratios and Adjustments-<https://www.acuite.in/view-rating-criteria-20.htm>

Rating History (Upto last three years)

| Date | Facilities | Amount (Rs. Crore) | Ratings | | Rating Outlook |
|------|------------|--------------------|-----------|------------|----------------|
| | | | Long Term | Short Term | |

| | | | | | |
|----------------|-------------|------|-------------------------|---|--------|
| 02 March, 2017 | Cash Credit | 9.00 | ACUITE B+ (Assigned) | - | Stable |
| | Term Loan | 2.89 | ACUITE B+ (Assigned) | - | Stable |
| | Term Loan | 3.11 | ACUITE B+ (Assigned) | - | Stable |

Annexures – 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 | Not Applicable | Not Applicable | Not Applicable | 9.00 | ACUITE C Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 2.89 | ACUITE C Issuer not co-operating* |
| Term Loan | Not Applicable | Not Applicable | Not Applicable | 3.11 | ACUITE C Issuer not co-operating* |

Contacts

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About Acuite Ratings & Research:

Acuite 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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