

Press Release

Syndicate Impex

February 15, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 6.00 Cr. #
Long Term Rating	ACUITE BB- Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

Refer Annexure for details

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

Acuité has reviewed long-term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) and short term rating of '**ACUITE A4+**' (read as '**ACUITE A four plus**') on the Rs. 6.00 crore bank facilities of Syndicate Impex (SI). This rating is now an indicative rating and is based on best available information.

SI was established in 2006 and has its manufacturing plant set up at Tirupur (Tamil Nadu). The company is engaged in manufacturing and export of knitted garments with a capacity of 5,00,000 pieces per month of all possible styles and blends. SI procures yarn count ranging from 20s to 70s and outsources knitting, dyeing and compacting. The company primarily caters to the international markets. It has been functioning on 100 percent capacity utilisation in the current financial year and has also set up an additional facility to cater to incremental orders. The company has installed 100 new machines to cater to additional demand in addition to its inherent capacity of 250 machines. The main raw materials used are yarn and fabrics such as cotton & poly cotton, and blended cotton. The raw material composition of manufactured apparels is determined by the nature of order from the importer. The firm procures raw materials from the local market.

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/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.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 - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	30.22	15.33	11.02
EBITDA	Rs. Cr.	3.15	1.00	0.86
PAT	Rs. Cr.	1.19	0.33	0.22
EBITDA Margin	(%)	10.42	6.51	7.78
PAT Margin	(%)	3.92	2.17	2.02
ROCE (%)	(%)	21.31	11.96	38.10
Total Debt/Tangible Net Worth	Times	3.21	5.01	2.06
PBDIT/Interest	Times	2.37	1.82	1.59
Total Debt/PBDIT	Times	3.22	9.24	3.21
Gross Current Assets (Days)	Days	75	125	149

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

None

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
15-Dec-2017	Packing Credit	Short Term	4.00	ACUITE A4+ (Assigned)
	Term Loan	Long Term	0.08	ACUITE BB- / Stable (Assigned)
	Term Loan	Long Term	0.74	ACUITE BB- / Stable (Assigned)
	Term Loan	Long Term	0.92	ACUITE BB- / Stable (Assigned)
	Proposed Long Term Loan	Long Term	0.26	ACUITE BB- / Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Packing Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A4+ Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.08	ACUITE BB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.74	ACUITE BB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.92	ACUITE BB- Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	0.26	ACUITE BB- Issuer not co-operating*

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

Contacts

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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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