

Press Release

Sri Textile Erode Private Limited

May 09, 2019



Rating Update

Total Bank Facilities Rated	Rs. 10.10 Cr. #
Long Term Rating	ACUITE D (Downgraded from ACUITE BB+) Issuer not co-operating*
Short Term Rating	ACUITE D (Downgraded from ACUITE A4+) 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 to '**ACUITE D** (read as ACUITE D) from '**ACUITE BB+**' (read as **ACUITE double B**) and the short term rating to '**ACUITE D** (read as ACUITE D) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the bank facilities of Sri Textile Erode Private Limited (STPL). This rating is now an indicative rating and is based on best available information.

The downgrade is in view of persistent delays in servicing the debt obligation.

The Tamil Nadu-based, STPL (formerly known as Sri Textiles) was established in 1990 as a proprietorship firm and converted to private limited in 2008. The company, promoted by Mr. Sengodan Vengadesan and Mrs. Venkatesan Padmavathy, is engaged in the manufacturing of fabrics and readymade garments at Tamil Nadu. STPL has two manufacturing facilities each for garments and fabrics.

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

- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Default Recognition: <https://www.acuite.in/criteria-default.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

The rated entity has not shared the latest financial statements despite repeated attempts.

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
09-March-2018	Cash Credit	Long Term	39.00^	ACUITE BB+/ Stable (Assigned)
	Term Loans	Long Term	1.89	ACUITE BB+/ Stable (Assigned)
	Term Loans	Long Term	1.75	ACUITE BB+/ Stable (Assigned)
	Term Loans	Long Term	2.80	ACUITE BB+/ Stable (Assigned)
	Proposed Bank Facility	Long Term	1.56	ACUITE BB+/ Stable (Assigned)
	Letter of Credit	Short Term	5.00	ACUITE A4+ (Assigned)

[^]Includes Sublimit of PC/PCFC to the extent of Rs. 20.00 crore. FBN/FBP/FBD/AACB/PSFC to the extent of Rs. 25.00 crore and FLC/ILC to the extent of Rs. 5.00 crore.

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs.Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	39.00^	ACUITE D Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	1.89	ACUITE D Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	1.75	ACUITE D Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	2.80	ACUITE D Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	1.56	ACUITE D Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE D Issuer not co-operating*

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

[^]Includes Sublimit of PC/PCFC to the extent of Rs. 20.00 crore. FBN/FBP/FBD/AACB/PSFC to the extent of Rs. 25.00 crore and FLC/ILC to the extent of Rs. 5.00 crore.

Contacts

Analytical	Rating Desk
Vinayak Nayak Vice President - Rating Operations Tel: 022-49294071 vinayak.nayak@acuite.in	Varsha Bist Senior Manager - Rating Desk Tel: 022-49294021 rating.desk@acuite.in
Salome Farren Analyst - Rating Operations Tel: 02249294062 salome.farren@acuiteratings.in	

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.