



Press Release
Esspal International Private Limited
July 10, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	51.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	2.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	53.00	-	-

Rating Rationale

Acuite has downgraded the long term rating to '**ACUITE BB+**' (read as **ACUITE Double B plus**) from '**ACUITE BBB-**' (read as **ACUITE Triple B Minus**) and short term rating to '**ACUITE A4+**' (read as **ACUITE A Four Plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs. 53.00 Cr bank facilities of **ESSPAL INTERNATIONAL PRIVATE LIMITED**. The rating is now an indicative rating, and based on the best available information.

About the Company

Based in Bhilwara, Rajasthan, Esspal International Private Limited (EIPL) was established in 2009. The company is engaged in manufacturing of grey fabric and processing of yarn. The company is led by directors, Mr. Manish Lath and Mrs. Rashmi Devi Lath, having experience of over two decades in the textile industry and Mr. Hriday Lath, son of Mr. Manish Lath, who has experience of 8 years in the textile industry. Company has a manufacturing facility in Bhilwara, Rajasthan with a licensed capacity of 180 lakhs meter of grey fabric per annum.

Non-cooperation by the issuer/borrower

Acuite has been requesting for key documents for the review from the rated entity. However, the issuer / borrower failed to submit such information before due date. Acuite 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. 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 endeavoured 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.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Material Covenants

None

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	265.58	169.99
PAT	Rs. Cr.	1.06	1.35
PAT Margin	(%)	0.40	0.80
Total Debt/Tangible Net Worth	Times	0.76	1.05
PBDIT/Interest	Times	2.04	1.98

Status of non-cooperation with previous CRA

None

Any other information

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

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Apr 2022	Cash Credit	Long Term	30.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.55	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan	Long Term	6.45	ACUITE BBB- Stable (Assigned)
	Letter of Credit	Short Term	2.00	ACUITE A3 (Assigned)
	Working Capital Demand Loan	Long Term	4.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
15 Apr 2022	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Tamilnad Mercantile Bank Limited	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE BB+ Downgraded Issuer not co-operating*
Tamilnad Mercantile Bank Limited	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	30.00	ACUITE BB+ Downgraded Issuer not co-operating*
Tamilnad Mercantile Bank Limited	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	2.00	ACUITE A4+ Downgraded Issuer not co-operating*
Tamilnad Mercantile Bank Limited	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.55	ACUITE BB+ Downgraded Issuer not co-operating*
Tamilnad Mercantile Bank Limited	Not Applicable	Working Capital Demand Loan (WC DL)	Not available	Not available	Not available	Simple	6.45	ACUITE BB+ Downgraded Issuer not co-operating*
Tamilnad Mercantile Bank Limited	Not Applicable	Working Capital Demand Loan (WC DL)	Not available	Not available	Not available	Simple	4.00	ACUITE BB+ Downgraded Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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