

Press Release

TEXTRADE INTERNATIONAL LIMITED

June 17, 2019

Rating Update

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|-------------------------------------|--|
| Total Bank Facilities Rated* | Rs. 225.00 Cr. # |
| Long Term Rating | ACUITE D/C (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating* |
| Short Term Rating | ACUITE D/A4 (Downgraded from ACUITE A3) 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 BBB-/Stable**' (read as **ACUITE triple B minus**) and short-term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs. 200.30 crore bank facilities of Textrade International Limited (TIL). This rating is now an indicative rating and is based on best available information.

Also, Acuité has downgraded the long-term rating to '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE BBB-/Stable**' (read as **ACUITE triple B minus**) and short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs. 24.70 crore bank facilities of TIL. This rating is now an indicative rating and is based on best available information.

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

Textrade International Limited (TIL), was incorporated in 2004 to take over the existing business of partnership firm which was established in 1984 by Mr. Bipin Doshi and Mr. Anish Doshi. The company is engaged in manufacturing of home textile products. The manufacturing unit is located in Surat (Gujarat). There are two more group companies apart from TIL viz. Textrade Inc. (WI) and Worldtex Manufacturing Private Limited (WMPL). TIL supplies mainly to USA and European 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>

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 requests.

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

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.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|-------------|--------------------------------------|-----------|------------------|-------------------------------|
| 03-May-2018 | Pre-Shipment/ Post-Shipment | Long Term | 43.80 | ACUITE BBB-/Stable (Assigned) |
| | Pre-Shipment/ Post-Shipment | Long Term | 25.80 | ACUITE BBB-/Stable (Assigned) |
| | Pre-Shipment/ Post-Shipment | Long Term | 29.00 | ACUITE BBB-/Stable (Assigned) |
| | Pre-Shipment/ Post-Shipment | Long Term | 24.00 | ACUITE BBB-/Stable (Assigned) |
| | Pre-Shipment/ Post-Shipment | Long Term | 14.50 | ACUITE BBB-/Stable (Assigned) |
| | Proposed Pre-Shipment/ Post-Shipment | Long Term | 12.90 | ACUITE BBB-/Stable (Assigned) |
| | Proposed Bank Facility | Long Term | 9.00 | ACUITE BBB-/Stable (Assigned) |
| | Letter of Credit | Long Term | 15.60 | ACUITE A3 (Assigned) |
| | Letter of Credit | Long Term | 18.00 | ACUITE A3 (Assigned) |
| | Letter of Credit | Long Term | 8.50 | ACUITE A3 (Assigned) |
| | Letter of Credit | Long Term | 3.60 | ACUITE A3 (Assigned) |
| | Letter of Credit | Long Term | 5.50 | ACUITE A3 (Assigned) |
| | Letter of Credit | Long Term | 12.00 | ACUITE A3 (Assigned) |
| | Proposed Letter of Credit | Long Term | 2.80 | ACUITE A3 (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings |
|-----------------------------|------------------|----------------|----------------|-----------------------------|--|
| Pre-Shipment/ Post-Shipment | Not Applicable | Not Applicable | Not Applicable | 43.80 | ACUITE D (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating* |
| Pre-Shipment/ Post-Shipment | Not Applicable | Not Applicable | Not Applicable | 25.80 | ACUITE D (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating* |
| Pre-Shipment/ Post-Shipment | Not Applicable | Not Applicable | Not Applicable | 29.00 | ACUITE D (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating* |
| Pre-Shipment/ Post-Shipment | Not Applicable | Not Applicable | Not Applicable | 24.00 | ACUITE D (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating* |

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|---|-------------------|-------------------|-------------------|-------|---|
| Pre-Shipment/ Post-Shipment | Not Applicable | Not Applicable | Not Applicable | 14.50 | ACUITE D (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating* |
| Proposed Pre- Shipment/ Post-Shipment | Not Applicable | Not Applicable | Not Applicable | 12.90 | ACUITE C (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating* |
| Proposed Bank Facility | Not Applicable | Not Applicable | Not Applicable | 9.00 | ACUITE C (Downgraded from ACUITE BBB-/Stable) Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 15.60 | ACUITE D (Downgraded from ACUITE A3) Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 18.00 | ACUITE D (Downgraded from ACUITE A3) Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 8.50 | ACUITE D (Downgraded from ACUITE A3) Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 3.60 | ACUITE D (Downgraded from ACUITE A3) Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 5.50 | ACUITE D (Downgraded from ACUITE A3) Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 12.00 | ACUITE D (Downgraded from ACUITE A3) Issuer not co-operating* |
| Proposed Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 2.80 | ACUITE A4 (Downgraded from ACUITE A3) Issuer not co-operating* |

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

Contacts

| Analytical | Rating Desk |
|--|---|
| Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in Aishwarya Phalke Senior Analyst – Rating Operations Tel: 022-49294054 aishwarya.phalke@acuite.in | Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in |

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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