Press Release

ESM Textiles

February 24, 2022

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	5.25	ACUITE B | Reaffirmed | Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	5.25	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reviewed the long-term rating of **'ACUITE B' (read as ACUITE B)** on the Rs. 5.25 crore bank facilities of ESM Textiles. The rating continues to be flagged as "Issuer Not Cooperating" and is based on best available information.

About the Company

Mr. E.S. Marimuthu as a partnership firm established Tamil Nadu-based ESMT in 1965. Mr. Erulappan (his son) and Mrs. E Rajeshwari (his daughter-in-law) now manage the firm. It is engaged in manufacturing of women readymade garments. The firm derives the majority of its revenue from the domestic market and rest from overseas markets.

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

Rating Sensitivity

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

Material Covenants

Not Applicable.

Liquidity Position

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

Outlook

Not Applicable.

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

- Manufacturing Entities: https://www.acuite.in/view-rating-criteria-59.htm
- Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm

Note on Complexity Levels of the Rated Instrument

https://www.acuite.in/view-rating-criteria-55.htm

Rating History

Date	Name of Istruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
27 Nov 2020	Term Loan	Long Term	0.75	ACUITE B (Issuer not co-operating*)
	Cash Credit	Long Term	4.50	ACUITE B (Issuer not co-operating*)
18 Sep 2019	Cash Credit	Long Term	4.50	ACUITE B (Issuer not co-operating*)
	Term Loan	Long Term	0.75	ACUITE B (Issuer not co-operating*)
06 Jul 2018	Cash Credit	Long Term	4.50	ACUITE B | Stable (Assigned)
	Term Loan	Long Term	0.75	ACUITE B | Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE B | Reaffirmed | Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	0.75	ACUITE B | Reaffirmed | Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité Ratings & Research 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 8,850 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 Kanjurmarg, Mumbai.