

Press Release

Umed Tex Fab Private Limited

January 09, 2020

Rating Update



Total Bank Facilities Rated*	Rs. 15.91 Cr. #
Long Term Rating	ACUITE BB (Downgraded from ACUITE BB+/Stable) Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs.15.91 crore bank facilities of Umed Tex Fab Private Limited. The rating downgrade is on account of information risk.

Incorporated in 2005, Umed Tex Fab Private Limited is Maharashtra-based Company promoted by the Malu family. The company is engaged in in weaving of yarn for its group company Umed Sizors on job work basis. The company is promoted by Mr. Ganesh Malu, Mr. Shubash Malu, Mr. Satish Malu and Mr. Nitin Malu. The company has its manufacturing unit located in Kolhapur with weaving capacity of 1, 40, 00,000 meters per annum.

The Maharashtra-based, Umed Group was established in 1964 by late Mr. Mulchand Malu by producing cloth on rented looms. Later, it was expanded to automated looms with high speed sizing looms and exporting to countries like Canada, USA, UK and China.

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/view-rating-criteria-52.htm>
- Entities in Manufacturing sector - <https://www.acuite.in/view-rating-criteria-59.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 (Up to last three years)

Date	Name of the Instrument/ Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
October 25, 2018	Term Loans	Long Term	5.50	ACUITE BB+/Stable (Assigned)
	Term Loans	Long Term	3.01	ACUITE BB+/Stable (Assigned)
	Proposed Long Term Facility	Long Term	7.40	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/Outlook
Term Loans	Not Applicable	Not Applicable	Not Applicable	5.50	ACUITE BB (Downgraded from ACUITE BB+/Stable) (Issuer Not Co- operating)*
Term Loans	Not Applicable	Not Applicable	Not Applicable	3.01	ACUITE BB (Downgraded from ACUITE BB+/Stable) (Issuer Not Co- operating)*
Proposed Long Term Facility	Not Applicable	Not Applicable	Not Applicable	7.40	ACUITE BB (Downgraded from ACUITE BB+/Stable) (Issuer Not Co- operating)*

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

Contacts

Analytical	Rating Desk
<p>Aditya Gupta Head- Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuute.in</p> <p>Kumar Abhisek Ratings Analyst - Rating Operations Tel: 011-49731308 kumar.abhisek@acuute.in</p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-49294011 rating.desk@acuute.in</p>

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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