



Press Release
Pratibha Syntex Limited
August 04, 2023

Rating Downgraded and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---------------------------------------|---------------------|---|---|
| Bank Loan Ratings | 366.02 | ACUITE BB+ Downgraded Issuer not co-operating* | - |
| Bank Loan Ratings | 139.79 | - | ACUITE A4+ Downgraded Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 505.81 | - | - |

Rating Rationale

Acuité has downgraded its long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**)' from **Acuite BBB (Read as Acuite Triple B)** & short term rating to **ACUITE A4+** '(read as **ACUITE A four plus**)' from **Acuite A3+ (Read as Acuite A Three Plus)** on the Rs. 505.81 crore bank facilities of Pratibha Syntex Limited. This rating is now an indicative rating and is based on best available information

The rating has been downgraded on account of information risk .

About the Company

Pratibha Syntex Limited (PSL) was incorporated in 1982. The company promoted by Mr. Shiv Kumar Chaudhary and Mr. Shreyaskar Chaudhary is engaged in Manufacture & Export of Yarn (Cotton, Melange & Blended), Knitted Fabric (Grey & Dyed) and Knitted Garments (Casual & Inner Wear). PSL has its registered office in Mumbai and manufacturing facilities located at Pithampur (Madhya Pradesh).

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. Acuité believes that information risk is a critical component in such ratings, and noncooperation 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 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.

Rating Sensitivities

"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

Other Factors affecting Rating

Not Applicable

Key Financials

| Particulars | Unit | FY 22 (Actual) | FY 21 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 813.46 | 531.72 |
| PAT | Rs. Cr. | 36.61 | 25.59 |
| PAT Margin | (%) | 4.50 | 4.81 |
| Total Debt/Tangible Net Worth | Times | 1.14 | 1.16 |
| PBDIT/Interest | Times | 3.63 | 3.05 |

Status of non-cooperation with previous CRA

India Ratings vide its press release dated 5 October 2021, has mentioned the rating of Pratibha Syntex Limited to '[IND] BB/A4+' Issuer Not Cooperating as on 5 October 2021.

Any other information

None

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. Acuité'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 |
|-------------|--------------------------------|------------|-----------------|---|
| 24 May 2022 | Cash Credit | Long Term | 3.46 | ACUITE BBB Stable (Upgraded from ACUITE BB) |
| | Cash Credit | Long Term | 50.00 | ACUITE BBB Stable (Upgraded from ACUITE BB) |
| | Term Loan | Long Term | 9.79 | ACUITE BBB Stable (Upgraded from ACUITE BB) |
| | Letter of Credit | Short Term | 8.50 | ACUITE A3+ (Upgraded from ACUITE A4+) |
| | Cash Credit | Long Term | 2.30 | ACUITE BBB Stable (Upgraded from ACUITE BB) |
| | Term Loan | Long Term | 22.94 | ACUITE BBB Stable (Upgraded from ACUITE BB) |
| | Term Loan | Long Term | 31.87 | ACUITE BBB Stable (Upgraded from ACUITE BB) |
| | Term Loan | Long Term | 30.31 | ACUITE BBB Stable (Upgraded from ACUITE BB) |
| | Packing Credit | Short Term | 19.64 | ACUITE A3+ (Upgraded from ACUITE A4+) |
| | Term Loan | Long Term | 9.27 | ACUITE BBB (Withdrawn) |
| | Packing Credit | Short Term | 54.71 | ACUITE A3+ (Upgraded from ACUITE A4+) |
| | Term Loan | Long Term | 18.45 | ACUITE BBB Stable (Upgraded from ACUITE BB) |
| | Term Loan | Long Term | 13.76 | ACUITE BBB (Withdrawn) |
| | Proposed Bank Facility | Long Term | 133.85 | ACUITE BBB Stable (Upgraded from ACUITE BB) |
| | Cash Credit | Long Term | 53.00 | ACUITE BBB Stable (Upgraded from ACUITE BB) |
| | Cash Credit | Long Term | 10.05 | ACUITE BBB Stable (Upgraded from ACUITE BB) |
| | Packing Credit | Short Term | 56.94 | ACUITE A3+ (Upgraded from ACUITE A4+) |
| | Term Loan | Long Term | 47.75 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Packing Credit | Short Term | 56.94 | ACUITE A4+ (Issuer not co-operating*) |
| | Bills Discounting | Short Term | 2.50 | ACUITE A4+ (Issuer not co-operating*) |
| | Packing Credit | Short Term | 20.21 | ACUITE A4+ (Issuer not co-operating*) |
| | Term Loan | Long Term | 67.73 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 58.00 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 3.46 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 27.35 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Working Capital Demand Loan | Long Term | 0.50 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | | Long | | ACUITE BB (Downgraded and Issuer not co-operating*) |

| | | | | |
|-------------|-------------------|------------|-------|---|
| 14 Apr 2021 | Term Loan | Term | 3.96 | co-operating*) |
| | Term Loan | Long Term | 16.37 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Bills Discounting | Short Term | 8.00 | ACUITE A4+ (Issuer not co-operating*) |
| | Letter of Credit | Short Term | 10.00 | ACUITE A4+ (Issuer not co-operating*) |
| | Cash Credit | Long Term | 21.50 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 9.27 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 13.76 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 40.34 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Cash Credit | Long Term | 53.18 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Packing Credit | Short Term | 19.64 | ACUITE A4+ (Issuer not co-operating*) |
| | Cash Credit | Long Term | 2.30 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | Packing Credit | Short Term | 13.00 | ACUITE A4+ (Issuer not co-operating*) |
| | Cash Credit | Long Term | 10.05 | ACUITE BB (Downgraded and Issuer not co-operating*) |
| | | | | |
| 13 Jan 2020 | Cash Credit | Long Term | 21.50 | ACUITE BB (Issuer not co-operating*) |
| | Term Loan | Long Term | 9.27 | ACUITE BB (Issuer not co-operating*) |
| | Term Loan | Long Term | 13.76 | ACUITE BB (Issuer not co-operating*) |
| | Term Loan | Long Term | 40.34 | ACUITE BB (Issuer not co-operating*) |
| | Cash Credit | Long Term | 53.18 | ACUITE BB (Issuer not co-operating*) |
| | Packing Credit | Short Term | 19.64 | ACUITE A4+ (Issuer not co-operating*) |
| | Cash Credit | Long Term | 2.30 | ACUITE BB (Issuer not co-operating*) |
| | Packing Credit | Short Term | 13.00 | ACUITE A4+ (Issuer not co-operating*) |
| | Cash Credit | Long Term | 10.05 | ACUITE BB (Issuer not co-operating*) |
| | Term Loan | Long Term | 47.75 | ACUITE BB (Issuer not co-operating*) |
| | Packing Credit | Short Term | 56.94 | ACUITE A4+ (Issuer not co-operating*) |
| | Bills Discounting | Short Term | 2.50 | ACUITE A4+ (Issuer not co-operating*) |
| | Packing Credit | Short Term | 20.21 | ACUITE A4+ (Issuer not co-operating*) |
| | Term Loan | Long Term | 67.73 | ACUITE BB (Issuer not co-operating*) |
| | Cash Credit | Long Term | 58.00 | ACUITE BB (Issuer not co-operating*) |
| | Cash Credit | Long Term | 3.46 | ACUITE BB (Issuer not co-operating*) |
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|--|-----------------------------|------------|-------|---------------------------------------|
| | Term Loan | Long Term | 27.35 | ACUITE BB (Issuer not co-operating*) |
| | Working Capital Demand Loan | Long Term | 0.50 | ACUITE BB (Issuer not co-operating*) |
| | Term Loan | Long Term | 3.96 | ACUITE BB (Issuer not co-operating*) |
| | Term Loan | Long Term | 16.37 | ACUITE BB (Issuer not co-operating*) |
| | Bills Discounting | Short Term | 8.00 | ACUITE A4+ (Issuer not co-operating*) |
| | Letter of Credit | Short Term | 10.00 | ACUITE A4+ (Issuer not co-operating*) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|-----------------------|----------------|------------------|------------------|----------------|----------------|------------------|-------------------|---|
| Canara Bank | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 10.05 | ACUITE BB+ Downgraded Issuer not co-operating* |
| Central Bank of India | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 3.46 | ACUITE BB+ Downgraded Issuer not co-operating* |
| Bank of Baroda | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 2.30 | ACUITE BB+ Downgraded Issuer not co-operating* |
| State Bank of India | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 53.00 | ACUITE BB+ Downgraded Issuer not co-operating* |
| Axis Bank | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 50.00 | ACUITE BB+ Downgraded Issuer not co-operating* |
| Canara Bank | Not Applicable | Letter of Credit | Not Applicable | Not Applicable | Not Applicable | Simple | 8.50 | ACUITE A4+ Downgraded Issuer not co-operating* |
| Bank of Baroda | Not Applicable | PC/PCFC | Not Applicable | Not Applicable | Not Applicable | Simple | 54.71 | ACUITE A4+ Downgraded Issuer not co-operating* |
| Central Bank of India | Not Applicable | PC/PCFC | Not Applicable | Not Applicable | Not Applicable | Simple | 19.64 | ACUITE A4+ Downgraded Issuer not co-operating* |
| Canara Bank | Not Applicable | PC/PCFC | Not Applicable | Not Applicable | Not Applicable | Simple | 56.94 | ACUITE A4+ Downgraded Issuer not co- |

| | | | | | | | | |
|-----------------------|----------------|----------------------------------|----------------|----------------|----------------|--------|--------|---|
| | | | | | | | | operating* |
| Not Applicable | Not Applicable | Proposed Long Term Bank Facility | Not Applicable | Not Applicable | Not Applicable | Simple | 133.85 | ACUITE BB+ Downgraded Issuer not co-operating* |
| Axis Bank | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 9.79 | ACUITE BB+ Downgraded Issuer not co-operating* |
| State Bank of India | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 22.94 | ACUITE BB+ Downgraded Issuer not co-operating* |
| Central Bank of India | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 30.31 | ACUITE BB+ Downgraded Issuer not co-operating* |
| Canara Bank | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 31.87 | ACUITE BB+ Downgraded Issuer not co-operating* |
| Bank of Baroda | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 18.45 | ACUITE BB+ Downgraded Issuer not co-operating* |

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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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