

Press Release

Shaktigarh Textile and Industries Limited

July 08, 2021

Rating Withdrawn



Total Bank Facilities Rated#	Rs.30.00 Cr.
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB-/Stable) Withdrawn; Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuite has withdrawn & downgraded the long term rating to **'ACUITE BB+' (read as ACUITE double B plus)** from **'ACUITE BBB-' (read as ACUITE triple B minus)** on the Rs.30.00 Cr. bank facilities of Shaktigarh Textile and Industries Limited (STIL). The rating is now flagged as an 'Issuer Not-Cooperating' based on best available information.

The rating is being withdrawn on account of the request received from the company and the NOC received from the banker as per Acuite's policy on withdrawal of ratings.

About the Entity

Incorporated in 1965, Shaktigarh Textile and Industries Limited (STIL) is a West Bengal based company which initially started with the manufacturing of cotton textiles. The company was promoted by the Hada group and was referred to The Board of Industrial and Financial Reconstruction (BIFR) due to subsequent losses. In 2011, STIL was taken over by Kajaria Family to set up a jute park in Shaktigarh, West Bengal. The jute park became operational from Sep 30, 2014. Currently STIL is engaged in manufacturing of jute products, such as hessian & sacking bags. STIL is a composite jute mill with manufacturing capacity of 70500 MTPA (out of which 48000 MTPA capacity is taken through lease agreement entered into in 30 March, 2019 for a period of 15 years). The company is managed by Mr. Srivatsa Kajaria, who is the 4th generation of the Kajaria Family.

Non-cooperation by the issuer/borrower

Acuite 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.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

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

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.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). Acuite has 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.

Liquidity Position

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

Rating Sensitivities

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

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)

Not Applicable

Any other information

Acuite 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
30-Apr-2020	Cash Credit	Long Term	15.00	ACUITE BBB- / Stable (Assigned)
	Term Loan	Long Term	10.68	ACUITE BBB- / Stable (Assigned)
	Proposed Bank Facility	Long Term	4.32	ACUITE BBB- / 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
Cash Credit	Not Applicable	Not Available	Not Applicable	15.00	ACUITE BB+ (Downgraded from ACUITE BBB- / Stable) Withdrawn; Issuer not co-operating*
Term Loan	Not Available	Not Available	Not Available	10.68	ACUITE BB+ (Downgraded from ACUITE BBB- / Stable) Withdrawn; Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	4.32	ACUITE BB+ (Downgraded from ACUITE BBB- / Stable) Withdrawn; Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President – Corporate Ratings Tel: 022 – 49294041 aditya.gupta@acuite.in Aditya Sahu Analyst – Rating Operations Tel: 022 – 49294055 aditya.sahu@acuite.in	Varsha Bist Senior Manager – Rating Desk Tel: 022 – 49294011 rating.desk@acuite.in

About Acuite Ratings & Research:

Acuite 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 8,780 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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