

Press Release

TELANGANA STATE TRADE PROMOTION CORPORATION LIMITED

July 06, 2023

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Sh
Bank Loan Ratings	50.00	ACUITE BB+ Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	50.00	-	-



Rating Rationale

Acuite has reaffirmed the long-term rating of 'ACUITE BB+' (read as ACUITE Double B plus) on the Rs.50.00 Crore bank facilities of Telangana State Trade Promotion Corporation Limited (TSTPCL or corporation) The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

Incorporated in 2014, Telangana State Trade Promotion Corporation Limited (TSTPCL) was promoted by the Government of Telangana (GoT). TSTPCL was established with an objective of promoting trade promotion activities by facilitating and organising national and international trade fairs, conducting and participating in National and international trade exhibitions, seminars, providing export guidance, publishing TS Trade Journals among others. Additionally, TSTPCL provides Trade Promotional Infrastructure like Container Freight Stations, Container Depots, Trade Warehousing Zones, Logistic Hubs, Truck Parking Terminals, Customs clearance, stuffing and de-stuffing of containers, Exhibition, Convention Centers among others. TSTPCL is engaged in manufacture and sale of "Golkonda" brand note books and Plain Copier Paper to Welfare Departments of the Government of Telangana.

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 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 Acuite'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). Acuite endeavored 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 rating is based.

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

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 20 (Provisional)	FY 19 (Actual)
Operating Income	Rs. Cr.	33.65	39.65
PAT	Rs. Cr.	3.04	2.48
PAT Margin	(%)	9.03	6.25
Total Debt/Tangible Net Worth	Times	0.00	0.00
PBDIT/Interest	Times	2913.89	187.33

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Complexity Level Of Financial Instruments: <https://www.acuite.in/view-rating-criteria-55.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
14 Apr 2022	Proposed Term Loan	Long Term	10.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Proposed Secured Overdraft	Long Term	40.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
15 Feb 2021	Proposed Secured Overdraft	Long Term	40.00	ACUITE BBB Stable (Assigned)
	Proposed Term Loan	Long Term	10.00	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	40.00	ACUITE BB+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE BB+ Reaffirmed Issuer not co-operating*

Contacts

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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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