

## Press Release

### Sri Murugan Textiles

May 04, 2022



### Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	-	ACUITE A4   Reaffirmed   Issuer not co-operating*
Bank Loan Ratings	12.07	ACUITE B+   Reaffirmed   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	22.07	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B+**' (read as ACUITE B 'Plus') and short-term rating of '**ACUITE A4**' (read as ACUITE A four) on the Rs.22.07 crore bank facilities of Sri Murugan Textiles (SMT). This rating is an indicative rating and is based on the best available information.

### About the Company

Sri Murugan Textiles (SMT) is an Annur- Coimbatore (Tamilnadu) based partnership firm established in 2014. SMT is engaged in manufacturing of Rayon Fabrics with its manufacturing unit in Annur. The firm has installed capacity of 50 Airjet looms and with an average weaving capacity of 22,500 meters of Rayon cloth per day. The firm is managed by K. Manojkumar and Ms. S.Madhumitha

### 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 noncooperation by the issuer along with an 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 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.

### Rating Sensitivities

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

### Material Covenants

None

### Liquidity Position

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

### Outlook

Not Applicable

### Key Financials:

The rated entity has not shared the latest financial statements despite repeated requests.

### Status of non-cooperation with previous CRA

Not Available

### 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>

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 Feb 2021	Cash Credit	Long Term	5.00	ACUITE B+   Stable (Assigned)
	Working Capital Term Loan	Long Term	0.78	ACUITE B+   Stable (Assigned)
	Term Loan	Long Term	1.14	ACUITE B+   Stable (Assigned)
	Term Loan	Long Term	6.25	ACUITE B+   Stable (Assigned)
	Proposed Bank Facility	Long Term	1.95	ACUITE B+   Stable (Assigned)
	Term Loan	Long Term	1.45	ACUITE B+   Stable (Assigned)
	Working Capital Demand Loan	Long Term	0.50	ACUITE B+   Stable (Assigned)
	Letter of Credit	Short Term	10.00	ACUITE A4 (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	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4   Reaffirmed   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	1.95	ACUITE B+   Reaffirmed   Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	1.14	ACUITE B+   Reaffirmed   Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	1.45	ACUITE B+   Reaffirmed   Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	6.25	ACUITE B+   Reaffirmed   Issuer not co-operating*
Canara Bank	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	0.50	ACUITE B+   Reaffirmed   Issuer not co-operating*
Canara Bank	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	0.78	ACUITE B+   Reaffirmed   Issuer not co-operating*

## Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 <a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a>  Katta Akhil Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:akhil.katta@acuite.in">akhil.katta@acuite.in</a>	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

### 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.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.