

Press Release

Swan Silk Private Limited

November 11, 2020

Rating Downgraded and Withdrawn



Total Bank Facilities Rated#	Rs.10.00 Cr.
Long Term Rating	ACUITE B+ (Downgraded from ACUITE BB-/Stable and Withdrawn) Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuite has downgraded and withdrawn the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs.10.00 crore bank facilities of Swan Silk Private Limited (SSPL). The rating downgrade is on account of information risk. This rating is now an indicative rating and is based on the best available information. The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

SSPL was incorporated in 1986. The company manufactures and exports silk fabrics and silk made-ups to Europe and USA. It is led by Mr. Govindsa K S (Chairman) along with other Directors. The manufacturing facilities are located in Bangalore (Karnataka). Since February 2015, lease rentals have been yet another revenue source for the company. It has reputed clients like Aditya Birla Retail Limited, GAIL, BOSCH and J D Institute of Fashion Technology. The company has let out 6 spaces on a rental basis.

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>

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 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.

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
21-Aug-2019	Term Loan	Long Term	0.58	ACUITE BB-/Stable (Upgraded from ACUITE B/Stable)
	Term Loan	Long Term	5.00	ACUITE BB-/Stable (Upgraded from ACUITE B/Stable)
	Cash Credit	Long Term	3.00	ACUITE BB-/Stable (Upgraded from ACUITE B/Stable)
	Proposed Bank Facility	Long Term	1.42	ACUITE BB-/Stable (Upgraded from ACUITE B/Stable)
12-Jul-2018	Term Loan	Long Term	0.58	ACUITE B / Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE B / Stable (Assigned)
	Packing Credit	Short Term	3.00	ACUITE A4 (Reaffirmed)
	Proposed Bank Facility	Long Term	1.42	ACUITE B / Stable (Assigned)
26-May-2017	Term Loan	Long Term	5.00	ACUITE B / Stable (Reaffirmed)
	Proposed Cash Credit	Long Term	2.00	ACUITE B / Stable (Reaffirmed)
	Packing Credit	Short Term	3.00	ACUITE A4 (Reaffirmed)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term Loan	Not Available	Not Applicable	Not Available	0.58	ACUITE B+ (Downgraded and Withdrawn) Issuer not co-operating*
Term Loan	Not Available	Not Applicable	Not Available	5.00	ACUITE B+ (Downgraded and Withdrawn) Issuer not co-operating*
Cash Credit	Not Available	Not Applicable	Not Available	3.00	ACUITE B+ (Downgraded and Withdrawn) Issuer not co-operating*
Proposed Bank Facility	Not Available	Not Applicable	Not Available	1.42	ACUITE B+ (Downgraded and Withdrawn) Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:

Acuité 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 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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