

Press Release

Shri Ram Sarup Garg Cotton Mills (SRSG)

08 February, 2017

Rating Update

Total Bank Facilities Rated	Rs.20.00 Cr #
Long Term Rating (Indicative)	SMERA B+ Issuer not co-operating*

Refer Annexure for details of instrument.

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

Rating Rationale

SMERA has reviewed the long-term rating of 'SMERA B+' (read as SMERA B plus) on the Rs.20.00 bank facilities of Shri Ram Sarup Garg Cotton Mills (SRSG). The rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower: SMERA has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating since October 2016. SMERA has also requested for the payment of outstanding surveillance fee.

Information Status	Not Received
Status of Surveillance Fee	Received

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

- Manufacturing Entities: <https://www.smerra.in/criteria-manufacturing.htm>
- Application of Financial Ratios and Adjustments: <https://www.smerra.in/criteria-fin-ratios.htm>
- Default Recognition: <https://www.smerra.in/criteria-default.htm>

Limitation regarding information availability: The rating is based on the information furnished by the rated entity till July 2015. Due to non-submission of information, SMERA endeavored to gather information about the entity / industry from sources available in public domain. SMERA therefore records its caution to the lenders/investors/public regarding the outdated data/non-reliability of data, on which the indicative credit rating is based.

Any other information: In the previous rating exercise, SMERA had consolidated the business and financial risk of Shri Ram Sarup Garg Cotton Mills and Suryalaxmi Cottex Private Limited. However, despite close follow up by SMERA, management has not provided the requisite information of Shri Ram Sarup Garg Cotton Mills to carry out the surveillance exercise; hence this rating is now being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

About the Rated Entity

Shri Ram Sarup Garg Cotton Mills (SRSG) is a partnership firm, established in 1996, by Mr. Satish Kumar Garg, Mr. Vinod Kumar Garg, Mr. Satpal Garg and Mrs. Madhu Garg. SRSG, is a Punjab based ginning firm operating from its three ginning units located at Malout, Muktsar and Gidderbaha.

For FY2014-15, SRSG reported profit after tax (PAT) of Rs. 0.82 crore on net sales of Rs.455.71crore as compared with PAT of Rs.0.73 crore on net sales of Rs.204.27 crore in FY2013-14. The firm's Net worth stood at Rs.29.16 crore as on March 31, 2015, as compared to Rs.27.34 crore as on March 31, 2014.

Rating History for the last three years:

Name of Instrument /Facilities	FY 2017			FY 2016		FY 2015		FY 2014	
	Scale	Amount (Rs. Crore)	Rating	Date	Rating	Date	Rating	Date	Rating
Cash Credit	LT	20.00	SMERA B+ (indicative) Issuer not co-operating*	21 July 2015	SMERA B+/Stable (Upgraded from SMERA B/Stable)	30 April 2014	SMERA B/Stable (Assigned)	N.A	N.A

*Annexure – Details of instruments rated:

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Ratings
Cash Credit	N.A	N.A	N.A	20.00	SMERA B+ (indicative) Issuer not co-operating*

Contacts:

Analytical	Rating Desk
Vinayak Nayak, Head – Operations, SMERA Bond Ratings Tel: 022-67141190 Email: vinayak.nayak@smera.in	Varsha Bist Sr. Executive Tel: 022-67141160 Email: varsha.bist@smera.in
Shashank Shukla, Rating Analyst, Tel: 011-4973 1302 Email: shashank.shukla@smera.in	

ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit www.smerra.in.

Disclaimer: A SMERA 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. SMERA ratings 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, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA 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. SMERA ratings 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.smerra.in) for the latest information on any instrument rated by SMERA.