

Press Release

Shakthi Murugan Textiles (SMT)

15 February 2017

Rating Update

Total Bank Facilities Rated	Rs.13.79 Cr #
Long Term Rating (Indicative)	SMERA BB- Issuer not co-operating*
Short Term Rating (Indicative)	SMERA A4 Issuer not co-operating*

Refer Annexure for details of instrument.

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

Rating Action

SMERA has reviewed the long term rating of '**SMERA BB-**' (read as **SMERA double B minus**) and short term rating of '**SMERA A4**' (read as **SMERA A four**) on the Rs.13.79 crore bank facilities of Shakthi Murugan Textiles (SMT). The ratings are now indicative ratings and 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 November 2016. SMERA has also requested for the payment of outstanding surveillance fee.

Information Status	Not Received
Status of Surveillance Fee	Not Received

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

Applicable Criteria

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

Limitation regarding information availability: The rating is based on the information furnished by the rated entity till October 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 SMERA therefore records its caution to the lenders/investors/public regarding the outdated data/non-reliability of data, on which the indicative credit rating is based.

About the Rated Entity: SMT, established in 1999, is a Coimbatore-based partnership firm promoted by Mr. R. Murugesan, Mr. Velumani Shanmugan, Ms. Shanti Subramaniam and Mr. M. Naveen. SMT is engaged in manufacturing of cotton yarn and weaving of grey fabrics. The firm is also engaged in generating wind power which is used for both captive consumption and sale to TNEB. The day-to-day operations of the firm are managed by Mr. R. Murugesan and Mr. M. Naveen, partners of the firm.

Rating History for the last three years:

Name of Instrument /Facilities	FY2017			FY2016		FY2015		FY2014	
	Scale	Amt (Rs. Crore)	Rating	Date	Rating	Date	Rating	Date	Rating
Cash Credit	LT	6.00	SMERA BB- (Indicative)	30 Oct 2015	SMERA BB- /Stable (Reaffirmed)	03 Jun 2014	SMERA BB- /Stable (Assigned)	-	-
Term Loan	LT	6.22	SMERA BB- (Indicative)	30 Oct 2015	SMERA BB- /Stable (Reaffirmed)	03 Jun 2014	SMERA BB- /Stable (Assigned)	-	-
Bank Guarantee	ST	1.57	SMERA A4 (Indicative)	30 Oct 2015	SMERA A4 (Reaffirmed)	03 Jun 2014	SMERA A4 (Assigned)	-	-

#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	NA	NA	NA	6.00	SMERA BB- (Indicative) Issuer not co-operating*
Term Loan	NA	NA	Not Available	6.22	SMERA BB- (Indicative) Issuer not co-operating*
Bank Guarantee	NA	NA	NA	1.57	SMERA A4 (Indicative) Issuer not co-operating*

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

Contacts:

Analytical	Rating Desk
Vinayak Nayak, Head -Ratings Operations, SMERA Bond Ratings Tel: 022-67141190 Email: vinayak.nayak@smera.in	Varsha Bist, Sr. Executive Tel: 022-67141160 Email: varsha.bist@smera.in
Sudarson Swami Rating Analyst Tel: 022-67171111 Email: sudarson.swami@smera.in	

ABOUT SMERA

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