

## S. R. Industries Limited

November 10, 2022

### Ratings

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	29.33	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	1.00	CARE D / CARE D; ISSUER NOT COOPERATING* (Single D / Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	1.75	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>32.08</b> <b>(₹ Thirty-Two Crore and Eight Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1.

#### Detailed rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated August 20, 2021, placed the ratings of S. R. Industries Limited (SRI) under the 'issuer non-cooperating' category as SRI had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. SRI continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and emails dated October 06, 2022, October 04, 2022, and July 13, 2022. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

#### Detailed description of the key rating drivers

At the time of last rating on August 20, 2021, the following were the rating weaknesses:

##### Key Rating Weaknesses

**Ongoing delays in debt servicing:** There are ongoing delays in servicing of the debt obligations by SRI. The company has been classified as Non-Performing Asset (NPA) by the banks.

**Under Corporate Insolvency Resolution Process (CIRP):** By the order of the National Company Law Tribunal (NCLT), Corporate Insolvency Resolution Process (CIRP) has been initiated against SRI under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC) and the regulations framed thereunder. The petition for initiation of the CIRP was filed by lenders of the company. A Resolution Professional (RP) has also been appointed by the NCLT, with respect to the same.

##### Liquidity: Poor

SRI has poor liquidity position since, there have been delays in the servicing of the debt obligations by SRI.

##### Analytical approach: Standalone

##### Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

[Policy in respect of Non-cooperation by issuer](#)  
[Policy on default recognition](#)  
[Short Term Instruments](#)  
[Manufacturing Companies](#)

#### About the company

S.R. Industries Limited (SRI) was set up by Mr. R C Mahajan and Mr. Yash Mahajan in 1989 for manufacturing of terry towel. In 2010, SRIL started its footwear business under the brand name 'Red Zone' and 'Front Foot' and a contract manufacturer for PUMA Sports India Private Limited (PUMA). In FY12, SRIL sold its terry towel business to focus on its footwear business. The company has its manufacturing facility in Una district Himachal Pradesh. SRIL is a manufactures sports shoes, Chappal and sandals for PUMA, Bata, Relaxo and Mantra.

Brief Financials (₹ crore)	March 31, 2021(A)	March 31, 2022(A)	3MFY23*
Total operating income	7.45	13.83	2.13
PBILDT	-1.25	-0.84	-0.68
PAT	-2.67	-2.61	-0.98
Overall gearing (times)	-1.52	-1.45	NA
Interest coverage (times)	-0.38	-1.58	NA

A: Audited; NA-Not Available

\* refers to the period from April 1, 2022 to June 30, 2022.

#### Status of non-cooperation with previous CRA:

CRISIL Ratings has conducted the review and has maintained rating of S. R. Industries Limited in 'Issuer Not Cooperating' category vide its press release dated April 30, 2022

#### Any other information: Not Applicable

**Rating history for the last three years:** Please refer Annexure-2

**Covenants of the rated instruments/facilities:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated for this company:** Annexure-4

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	18.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	January, 2019	11.33	CARE D; ISSUER NOT COOPERATING*
Fund-based - ST-Standby Line of Credit		-	-	-	0.40	CARE D; ISSUER NOT COOPERATING*
Fund-based/Non-fund-based-LT/ST		-	-	-	1.00	CARE D / CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	1.35	CARE D; ISSUER NOT COOPERATING*

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	11.33	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (20-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (30-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (02-Apr-19)
2	Fund-based - LT-Cash Credit	LT	18.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (20-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (30-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (02-Apr-19)
3	Fund-based - ST-Standby Line of Credit	ST	0.40	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (20-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (30-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (02-Apr-19)
4	Non-fund-based - ST-Letter of credit	ST	1.35	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (20-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (30-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (02-Apr-19)
5	Fund-based/Non-fund-based-LT/ST	LT/ST*	1.00	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D; ISSUER NOT COOPERATING* (20-Aug-21)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (30-Jun-20)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (02-Apr-19)

\*Long term/Short term.

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable****Annexure-4: Complexity level of various instruments rated for this company**

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - ST-Standby Line of Credit	Simple
4	Fund-based/Non-fund-based-LT/ST	Simple
5	Non-fund-based - ST-Letter of credit	Simple

**Annexure-5: Bank lender details for this company**To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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### About us:

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