

S.R.Industries Limited

August 20, 2021

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	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
Total Bank Facilities	32.08 (Rs. Thirty-Two Crore and Eight Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated June 30, 2020, placed the rating(s) 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 August 06, 2021, August 09, 2021 and August 11, 2021, etc. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The ratings on bank facilities of S.R.Industries Limited will be denoted as **CARE D; Issuer not cooperating**.

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

At the time of last rating on June 30, 2020 the following was the rating weaknesses (updated for the information available from stock exchange):

Key Rating Weaknesses

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

Detailed description of the key rating drivers

Please Refer to PR dated [June 30, 2020](#)

Analytical Approach: Standalone

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)
[CARE's Policy on Default Recognition](#)

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, SRI 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, SRI sold its terry towel business to focus on its footwear business. The company has its manufacturing facility in Una district Himachal Pradesh. SRI manufactures sports shoes, Chappal and sandals for PUMA, Bata, Relaxo and Mantra.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

Covenants of rated instrument / facility: Not Applicable

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)
Total operating income	16.99	11.10
PBILDT	-5.30	2.40
PAT	-6.65	-2.67
Overall gearing (times)	NM	NM
Interest coverage (times)	-2.54	0.73

A: Audited

NM- Not meaningful

Status of non-cooperation with previous CRA: CRISIL has conducted the review on the basis of best available information and classified S.R. Industries Limited as “Not Co-operating” vide its press release dated February 27, 2021

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

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

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Term Loan	LT	11.33	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (30-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (02-Apr-19)	1)CARE D (06-Apr-18)
2.	Fund-based - LT-Cash Credit	LT	18.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (30-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (02-Apr-19)	1)CARE D (06-Apr-18)
3.	Fund-based - ST- Standby Line of Credit	ST	0.40	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (30-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (02-Apr-19)	1)CARE D (06-Apr-18)
4.	Non-fund-based - ST-Letter of credit	ST	1.35	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (30-Jun-20)	1)CARE D; ISSUER NOT COOPERATING* (02-Apr-19)	1)CARE D (06-Apr-18)
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* (30-Jun-20)	1)CARE D / CARE D; ISSUER NOT COOPERATING* (02-Apr-19)	1)CARE D / CARE D (06-Apr-18)

*Issuer did not cooperate; Based on best available information

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

Sr. No.	Name of the 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

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

Mr. Mradul Mishra
Contact no.: +91-22-6837 4424
Email ID: mradul.mishra@careratings.com

Analyst Contact

Mr. Shivam Tandon
Contact no.: +91- 11-4533 3263
Email ID: shivam.tandon@careratings.com

Relationship Contact

Ms. Swati Agrawal
Contact no.: +91-11-4533 3200
Email ID: swati.agrawal@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**