

Shubhalakshmi Polyesters Limited

April 30, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	718.10	CARE B+; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; Stable;
Short Term Bank Facilities	628.00	CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

*Issuer did not cooperate; based on best available information

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated February 08, 2023, placed the rating(s) of Shubhalakshmi Polyesters Limited (SPL) under the 'issuer non-cooperating' category as SPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. SPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated December 25, 2023, January 04, 2024, January 14, 2024.

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).

The ratings have been revised on account of non-availability of requisite information.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [February 08, 2023](#)

Applicable criteria

[CARE Ratings' criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on default recognition](#)

[Rating Outlook and Credit Watch](#)

About the company

Shubhalakshmi Polyesters Limited (SPL) is promoted by Mr. Ramu Raman Agarwal in 1979. He is currently the chairman of SPL having more than three decades of experience in the textile business. His brother Mr. Ajay Kumar Agarwal is the Managing Director of SPL and is also having around three decades of experience in textile business. SPL is primarily engaged in manufacturing of polyester chips, partially oriented yarn (POY), fully drawn yarn (FDY), polyester staple fiber (PSF) and wide varieties of texturized yarn (including double twist yarn, air texturizing yarn, monofilament yarn, draw twisted yarn etc.). Yarn produced by SPL finds its application in home furnishing fabric, ladies and gents fashion wear etc. Manufacturing plant is located at Dahej (Gujarat), Silvassa and Daman. Fair trade regulator Competition Commission has cleared the acquisition of business undertakings of Shubhalakshmi Polyesters Ltd and Shubhlaxmi Polytex Ltd. by Reliance Polyester Limited.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications.

Brief Financials (Rs. crore)	March 31, 2021 (A)	March 31, 2022 (A)
Total operating income	2249.08	1768.39
PBILDT	81.60	134.47
PAT	1.51	3.17
Overall gearing (times)	1.29	1.37
Interest coverage (times)	0.73	1.13

A: Audited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

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

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

Lender details: Annexure 5

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		-	-	-	400.00	CARE B+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	March, 2025	318.10	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	23.00	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	605.00	CARE A4; 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 (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	318.10	CARE B+; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (08-Feb-23)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (16-Nov-21)
2	Fund-based - LT-Cash Credit	LT	400.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (08-Feb-23)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (16-Nov-21)
3	Non-fund-based - ST-Letter of credit	ST	605.00	CARE A4; ISSUER NOT COOPERATING*	-	-	1)CARE A4; ISSUER NOT COOPERATING* (08-Feb-23)	1)CARE A4; ISSUER NOT COOPERATING* (16-Nov-21)
4	Non-fund-based - ST-Bank Guarantee	ST	23.00	CARE A4; ISSUER NOT COOPERATING*	-	-	1)CARE A4; ISSUER NOT COOPERATING* (08-Feb-23)	1)CARE A4; ISSUER NOT COOPERATING* (16-Nov-21)

*Issuer did not cooperate; Based on best available information

LT: Long term; ST: Short term

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

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: 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.

Contact us

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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages our domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments including commercial papers, corporate bonds and debentures, and structured credit.

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