

Aswathi Exports

May 27, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	1.00	CARE B+; Stable; ISSUER NOT COOPERATING* (Single B Plus; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; Stable; (Double B Minus; Outlook: Stable)
Long Term / Short Term Bank Facilities	7.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING* (Single B Plus ; Outlook: Stable/ A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; Stable / CARE A4; (Double B Minus ; Outlook: Stable / A Four)
Total Bank Facilities	8.50 (Rs. Eight Crore and Fifty Lakhs Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated March 16, 2021, placed the rating(s) of Aswathi Exports (AE) under the 'issuer non-cooperating' category as AE 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. AE continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated January 30, 2022, February 09, 2022 and February 19, 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).

The ratings assigned to the bank facilities of AE have been revised on account of non-availability of requisite information.

Detailed description of the key rating drivers

Please refer to PR dated [March 16, 2021](#)

Analytical approach: Standalone

Applicable Criteria

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

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Firm

Aswathi Exports (AE) was established as a partnership concern by Mr. Chandrasekaran and Mr. N.K. Chinnaswamy in 1997. The firm is engaged in sewing garments for infants, kids and women. The installed capacity of AE stood at Approx.2200 pieces per day as of January 2020. The firm gets the yarn processed, knitted, dyed and printed from local suppliers. AE imports accessories like buttons, zips etc. from suppliers located in China and Hongkong. On procuring the fully processed fabric and accessories, the firm sews these processed fabric and accessories into garments before storing as finished goods. The firm exports 95% of the finished garments to customers located in the United States of America (USA) and United Kingdom (UK) and Australia through agents. The firm generates remaining revenue from selling finished garments to customers based at Tamil Nadu. AE has its sewing units located at Tirupur and Coimbatore, Tamil Nadu.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021(A)	31-03-2022 (Prov.)
Total operating income	NA	NA	NA
PBILDT	NA	NA	NA
PAT	NA	NA	NA
Overall gearing (times)	NA	NA	NA
Interest Coverage (times)	NA	NA	NA

A: Audited; Prov.: Provisional; NA: Not Available

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

Status of non-cooperation with previous CRA: CRISIL vide its press release dated September 23, 2021 has continued the rating of AE to the 'Issuer Not Cooperating' category on account of its inability to carry out a review in the absence of requisite information from the firm.

Any other information: Not Applicable

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

Covenants of rated instrument/facility: Annexure-3

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

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT/ ST-Packing Credit in Indian rupee		-	-	-	5.00	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-Packing Credit in Foreign Currency		-	-	-	2.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	1.00	CARE B+; Stable; 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 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
1	Fund-based - LT/ ST-Packing Credit in Indian rupee	LT/ ST*	5.00	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	-	-	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* (16-Mar-21)	1)CARE BB; Stable / CARE A4 (05-Feb-20)
2	Fund-based - LT/ ST-Packing Credit in Foreign Currency	LT/ ST*	2.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	-	-	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* (16-Mar-21)	1)CARE BB; Stable / CARE A4 (05-Feb-20)
3	Fund-based - LT-Cash Credit	LT	1.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (16-Mar-21)	1)CARE BB; Stable (05-Feb-20)

*Issuer did not cooperate; based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable

Annexure 4: Complexity level of various instruments rated for this firm

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT/ ST-Packing Credit in Foreign Currency	Simple
3	Fund-based - LT/ ST-Packing Credit in Indian rupee	Simple

Annexure 5: Bank Lender Details for this firm

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

Note on complexity levels of the rated instrument: CARE 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

Media Contact

Mr. Mradul Mishra
Contact No.: +91-22-6837 4424
Email ID – mradul.mishra@careedge.in

Analyst Contact

Ms. Shahchee Vyas
Contact No.: +91-79-4026 5665
Email ID – shachee.tripathi@careedge.in

Relationship Contact

Mr. Pradeep Kumar
Contact No.: 044-2849 0876
Email ID – pradeep.kumar@careedge.in

About CARE Ratings:

Established in 1993, CARE Ratings Ltd 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 (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow 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 Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

Disclaimer

The ratings issued by CARE Ratings Limited 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. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a 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 Ratings Limited 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.careedge.in**