

## Emperor Textiles Private Limited

December 28, 2021

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	2.53	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable; (Single B; Outlook: Stable)
Short Term Bank Facilities	14.00	CARE A4; ISSUER NOT COOPERATING* (A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>16.53</b> <b>(Rs. Sixteen Crore and Fifty-Three Lakhs Only)</b>		

*Details of facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated November 30, 2020, placed the rating(s) of Emperor Textiles Private Limited (ETPL) under the 'issuer non-cooperating' category as ETPL 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. ETPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated October 16, 2021, October 26, 2021 and November 05, 2021.

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.

***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 ETPL have been revised on account of non-availability of requisite information. The rating also factored in decline in scale of operations, operating profitability and capital structure during FY20 over FY19.

### Detailed description of the key rating drivers

Please refer to PR dated [November 30, 2020](#)

**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 Company

Emperor Textiles Private Limited (ETPL) is a Tirupur (Tamilnadu) based textile company incorporated in 2005 by Mr. A. Palanisamy initially started the business of manufacturing and sale of home textiles as a proprietorship firm in 1966. Later on, the proprietorship firm converted into a partnership firm with his relatives as partners. The firm gradually started manufacturing of other products like fabrics, shirts, garments, home textiles and other textile products from 2004 onwards. In 2005, the partnership firm was converted into private limited company. The directors of the company at the time of incorporation were Mr. A. Palanisamy, Mr. P. Karthikeyan, Mr. P. Krishnaraj and Ms. P. Vimala. The shares held by Mr. P. Krishnaraj were transferred as gift in favour of Mr. P. Karthikeyan and Ms. Sujini Kamatchi in equal proportion with effect from June 26, 2017. Mr. P. Krsihnaraj has resigned from his position. Mr. P. Krishnaraj has established a proprietorship concern in the name of Emperor Textile Processors (ETP), which deals with dyeing of fabric. ETPL gets the fabric dyed from ETP through job work order. The shares held by Mr. A Palanisamy and Ms. P Vimala was transferred in favour of MR. P. Karthikeyan.

<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

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	H1FY22 (Prov.)
Total operating income	11.43	NA	NA
PBILDT	1.40	NA	NA
PAT	0.13	NA	NA
Overall gearing (times)	6.47	NA	NA
Interest coverage (times)	2.12	NA	NA

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

**Status of non-cooperation with previous CRA:** CRISIL vide its press release dated October 26, 2016 has suspended the rating of ETPL on account of its inability to carry out a review in the absence of requisite information from the company.

**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 company:** 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-Term Loan		-	-	October 2018	0.03	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	2.50	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - ST-EPC/PSC		-	-	-	7.00	CARE A4; ISSUER NOT COOPERATING*
Fund-based - ST-FBN / FBP		-	-	-	7.00	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 (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	0.03	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (30-Nov-20)	1)CARE B+; Stable (04-Sep-19)	1)CARE B+; Stable (23-Aug-18)
2	Fund-based - LT-Cash Credit	LT	2.50	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (30-Nov-20)	1)CARE B+; Stable (04-Sep-19)	1)CARE B+; Stable (23-Aug-18)
3	Fund-based - ST-EPC/PSC	ST	7.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (30-Nov-20)	1)CARE A4 (04-Sep-19)	1)CARE A4 (23-Aug-18)
4	Fund-based - ST-FBN / FBP	ST	7.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (30-Nov-20)	1)CARE A4 (04-Sep-19)	1)CARE A4 (23-Aug-18)
5	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (23-Aug-18)

\*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 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-EPC/PSC	Simple
4	Fund-based - ST-FBN / FBP	Simple

**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](mailto:care@careedge.in) for any clarifications.

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