

## Surat Textile Mills Limited

January 16, 2020

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term Bank Facilities	-	-	Withdrawn
Short- term Bank Facilities	-	-	Withdrawn
<b>Total Facilities</b>	-		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the outstanding ratings of 'CARE BBB-; Stable/CARE A3'; (Triple B minus; Outlook: Stable/ A Three) assigned to the bank facilities of Surat Textile Mills Limited with immediate effect. The above action has been taken at the request of Surat Textile Mills Limited and 'No Dues Certificate' received from the lender that has extended the facilities rated by CARE.

**Analytical approach:** Not Applicable

### Applicable Criteria

[Policy on Withdrawal of ratings](#)

### About the Company

Incorporated in 1945, Surat Textile Mills Limited (STML) is part of the Garden Group (rated CARE D) is engaged in manufacturing of polyester chips (with an installed capacity of 25,000 Metric Tonnes Per Annum- [MTPA]) and partially oriented yarn (POY) (with an installed capacity of 5000 MTPA). STML's manufacturing facilities are located in Jolwa village in Palsana Taluka of Surat. STML procures raw material [mainly purified terephthalic acid (PTA), mono-ethylene glycol (MEG)] largely from the domestic suppliers sells its products mainly in the domestic market.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)	FY19 (A)
Total operating income	140.25	203.16	219.82
PBILDT	14.66	15.93	12.07
PAT	16.69	8.19	12.15
Overall gearing (times)	0.00	0.02	0.00
Interest coverage (times)	36.06	15.81	10.82

*A: Audited*

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

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

### Annexure-1: Details of 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Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC	-	-	-	0.00	Withdrawn

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

**Annexure-2: Rating History for the 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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Cash Credit	LT	-	-	-	1)CARE BBB-; Stable (13-Mar-19) 2)CARE BBB-; Stable (02-Apr-18)	1)CARE BBB-; Stable (24-Apr-17)	-
2.	Non-fund-based - ST-BG/LC	ST	-	-	-	1)CARE A3 (13-Mar-19) 2)CARE A3 (02-Apr-18)	1)CARE A3 (24-Apr-17)	-

**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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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#### 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.

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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](http://www.careratings.com)**