

June 19, 2019

Tessitura Monti India Pvt Ltd: Ratings Withdrawn

Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Term Loans	15.00	15.00	[ICRA]BB+ (Stable); Withdrawn
Fund-based Limits	105.00	105.00	[ICRA]A4+; Withdrawn
Non-fund Based Limits	14.00	14.00	[ICRA]A4+; Withdrawn
Unallocated Limits	16.00	16.00	[ICRA]BB+ (Stable) / [ICRA]A4+; Withdrawn
Total	150.00	150.00	

*Instrument details are provided in Annexure-1

Rating action

ICRA has withdrawn the long-term rating of [ICRA]BB+ (pronounced ICRA double B plus) with a stable outlook, and the short-term rating of [ICRA]A4+ (pronounced ICRA A four plus) assigned to Rs. 134.00 crore bank lines, and has also withdrawn the long term rating of [ICRA]BB+ with stable outlook and short term rating of [ICRA]A4+ assigned to Rs. 16.00 crore unallocated limits of the company.

Rationale

The ratings are withdrawn in accordance with ICRA's policy on withdrawal and suspension, at the request of the company, and on the basis of the no-due certificate received from its banker.

Outlook: Not applicable

Key rating drivers

Key rating drivers has not been captured as the rated instruments are being withdrawn

Liquidity position

Liquidity position has not been captured as the rated instruments are being withdrawn

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Policy on Withdrawal and Suspension of Credit Rating Corporate Credit Rating Methodology
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company:

Tessitura Monti India Private Limited is a closely-held subsidiary of the Italian firm, Tessitura Monti SPA (erstwhile Gruppo Tessile Monti Spa). The company manufactures premium cotton shirt fabrics. It uses superior Egyptian cotton yarn and vat dyes for its fabrics. While Egyptian cotton lends greater softness and finish, vat dyes (vis-à-vis reactive dyes)

ensure greater colour fastness. Currently, the company has a total production capacity of 14 million metre of fabric per annum. The total feasible manufacturing capacity for dyed unfinished fabric stands at ~12 million metre per annum, with the company having a finishing/processing capacity of 8 million metre per annum.

The company achieved a net profit of Rs. 6.83 crore on an OI of Rs. 247.45 crore in FY2019, against a net loss of Rs. 1.94 crore on an OI of Rs. 244.57 crore in FY2018.

Key financial indicators

	FY2018 Audited	FY2019 Provisional
Operating Income (Rs. crore)	244.57	247.45
PAT (Rs. crore)	-1.94	6.83
OPBDIT/ OI (%)	7.87%	5.25%
RoCE (%)	1.68%	7.37%
Total Debt/ TNW (times)	1.18	0.97
Total Debt/ OPBDIT (times)	5.95	7.72
Interest Coverage (times)	3.27	2.13
NWC/ OI (%)	54.98%	53.78%

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Sr. No.	Instrument	Current Rating (FY2020)				Chronology of Rating History for the past 3 years				
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating		Date & Rating in FY2019	Date & Rating in FY2018	Date & Rating in FY2017	
					June 2019	May 2019			March 2017	February 2017
1	Term Loans	Long-term	15.00	15.03	[ICRA]BB+ (Stable); Withdrawn	[ICRA]BB+ (Stable)	[ICRA]BBB- (Negative)	[ICRA]BBB (Negative)	[ICRA]BBB (Stable)	-
2	Fund-based Working Capital Limits	Short-term	105.00	-	[ICRA]A4+; Withdrawn	[ICRA]A4+	[ICRA]A3	[ICRA]A3+	[ICRA]A3+	-
3	Non-fund Based Limits	Short-term	14.00	-	[ICRA]A4+; Withdrawn	[ICRA]A4+	[ICRA]A3	[ICRA]A3+	[ICRA]A3+	-
4	Unallocated Limits	Long-term/Short-term	16.00	-	[ICRA]BB+ (Stable) / [ICRA]A4+; Withdrawn	[ICRA]BB+ (Stable) / [ICRA]A4+	[ICRA]BBB- (Negative) / [ICRA]A3	[ICRA]BBB (Negative)/ [ICRA]A3+	[ICRA]BBB (Stable)/ [ICRA]A3+	-
5	Credit Opinion	Long-term/Short-term	-	-	-	-	-	-	-	[ICRA]BBB (Stable)/ [ICRA]A3+

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan 1	October 2015	-	July 2020	6.25	[ICRA]BB+(Stable); Withdrawn
NA	Term Loan 2	August 2017	-	March 2025	8.75	[ICRA]BB+(Stable) ; Withdrawn
NA	Fund-based Limits				105.00	[ICRA]A4+; Withdrawn
NA	Non-fund Based Limits				14.00	[ICRA]A4+; Withdrawn
NA	Unallocated Limits				16.00	[ICRA]BB+(Stable)/ [ICRA]A4+; Withdrawn

Source: Tessitura Monti India Pvt Ltd

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