

Shree Geeta Textile Mills Private Limited

	Amount Outstanding	Rating Action
	Rs Crore	November 2016
Long-term fund-based cash credit limit	13.50	[ICRA]B; Revised from [ICRA]B+
Long-term fund- based term Loan	43.46	[ICRA]B; Revised from [ICRA]B+
Long-term/short-term non-fund based bank guarantee	1.75	[ICRA]B /A4; Revised from [ICRA]B+/A4
Total	58.71	

ICRA has revised its long-term rating on the Rs. 56.96-crore fund-based bank facilities of Shree Geeta Textile Mills Pvt. Ltd. (SGTM) to [ICRA]B (pronounced ICRA B) from [ICRA]B+ (pronounced ICRA B-plus). ICRA has reaffirmed its short-term rating on the Rs. 1.75-crore non-fund based bank facilities of SGTM at [ICRA]A4 (pronounced ICRA A-four).

The rating action takes into account the company's weak financial performance owing to the delay in project's commencement and lower-than-expected capacity utilisation. The delay coupled with low production has resulted in significantly lower operating income. Further, the challenging outlook for the spinning industry along with the commencement of scheduled loan repayments from April 2016, are likely to stress the liquidity of the company. Given that the project has just started, the coverage indicators are likely to remain weak. The ratings are, however, supported by the extensive experience of SGTM's promoters in the textile industry. ICRA favourably factors in the various fiscal incentives provided under the Madhya Pradesh State's Textile Policy and Technology Upgradation Fund Scheme.

Going forward, the company's ability to ramp up its plant capacity utilisation and ensure efficient working capital management and adequate liquidity will be the key rating sensitivities. Timely receipt of fiscal incentives will also be a key monitorable.

Company Profile

SGTM was incorporated by the Madhya Pradesh-based Mittal family in 2008. The company has set up an integrated textile project (spinning and knitting) at Burhanpur, Madhya Pradesh, whose spinning division commenced operations in October 2015, and the knitting division in February 2016. The company has 15,840 spindles and eight circular and open-width knitting machines. The capacity of the spinning division is 3,698 metric tonnes per annum (MTPA) while the knitting division's capacity is 3,780 MTPA. The company manufactures 100% cotton yarn of 28 counts (average), which finds application in the manufacturing of hosiery garments, and bed sheets.

Recent results

In FY2016, SGTM reported an operating income (OI) of Rs. 10.53 crore and a net loss of Rs.5.61 crore.

November 2016



For further details, please contact:

Analyst Contacts:

Mr. Sabyasachi Majumdar (Tel. No. +91 124 4545304)
sabyasachi@icraindia.com

Manish Ballabh (Tel. No +0124-4545 812)
manish.ballabh@icraindia.com

Amit Arora (Tel. No +0124-4545 318)
amita@icraindia.com

Aman Banka (Tel. No +0124- 4545 347)
aman.banka@icraindia.com

Relationship Contacts:

Mr. Jayanta Chatterjee (Tel. No. +91-80-43326401)
jayantac@icraindia.com

© Copyright, 2016, ICRA Limited. All Rights Reserved

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi
Mumbai—400025,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax:
+91-79-25569231

Pune**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range
Hills Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-
25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500