ICRA

November 29, 2019

Surbhi Industries Limited: Ratings Withdrawn

Summary of rating action

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based Term Loans	8.09	8.09	[ICRA]BB (Stable); Withdrawn
Fund-based Cash Credit	4.50	4.50	[ICRA]BB (Stable); Withdrawn
Non-fund Based-Letter of Credit	1.50	1.50	[ICRA]A4; Withdrawn
Unallocated limits	10.91	10.91	[ICRA]BB (Stable)/[ICRA]A4; Withdrawn
Total	**25.00**	**25.00**	

Rationale

The long-term and short-term ratings assigned to Surbhi Industries Limited (STL/the company) have been withdrawn at the request of the company, based on the no-objection certificate provided by its banker. ICRA is withdrawing the rating and that it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. ICRA has withdrawn the Stable outlook on the long-term rating.

Key rating drivers and their description

Key rating drivers have not been captured as the rating is being withdrawn.

Liquidity position

Not captured as the rating is being withdrawn.

Rating sensitivities

Not captured as the rating is being withdrawn.

Analytical approach:

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

About the company:

Surbhi Industries Limited (SIL or the company) was incorporated in 1991 by Mr. Ravji Patel and his family members. The company manufactures synthetic-based twisted yarn and knitted fabric for garments, sarees, home furnishings and industrial textiles. The manufacturing facility of SIL is located at Surat in Gujarat. The company sells its products under the brand name 'Surbhi'.

SIL is a part of the Surbhi Group, which consists of other entities namely Surbhi Textile Mills Private Limited. Surbhi Textile Mills Private Limited manufactures twisted yarn, grey fabric, knitted fabric and embroidered fabric.

Key financial indicators – (Audited)

	FY2018	FY2019
Operating Income (Rs. crore)	20.92	20.59
PAT (Rs. crore)	-0.90	-0.68
OPBDIT/ OI (%)	19.96%	19.63%
RoCE (%)	-0.63%	0.41%
Total Outside Liabilities/Tangible Net Worth (times)	1.14	0.92
Total Debt/OPBDIT (times)	3.10	2.42
Interest Coverage (times)	2.85	2.89
DSCR	0.78	0.98

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

All figures in Rs. Crore

	Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018	FY2017
					29-Nov-2019	2-Aug-2018	6-Apr-2017	-
1	Term Loans	Long Term	8.09	NA	[ICRA]BB (Stable) Withdrawn	[ICRA]BB (Stable)	[ICRA]BB (Stable)	-
2	Cash Credit	Long Term	4.50	NA	[ICRA]BB (Stable) Withdrawn	[ICRA]BB (Stable)	[ICRA]BB (Stable)	-
3	Letter of Credit	Short Term	1.50	NA	[ICRA]A4 Withdrawn	[ICRA]A4	[ICRA]A4	-
4	Unallocated Limits	Long Term/Short Term	10.91	NA	[ICRA]BB (Stable)/ [ICRA]A4 Withdrawn	[ICRA]BB (Stable)/ [ICRA]A4	[ICRA]BB (Stable)/ [ICRA]A4	

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 Loans	NA	NA	NA	8.09	[ICRA]BB (Stable); Withdrawn
NA	Cash Credit	NA	NA	NA	4.50	[ICRA]BB (Stable); Withdrawn
NA	Letter of Credit	NA	NA	NA	1.50	[ICRA]A4; Withdrawn
NA	Unallocated Limits	NA	NA	NA	10.91	[ICRA]BB (Stable)/ [ICRA]A4; Withdrawn

Source: Surbhi Industries Limited

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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