August 31, 2020

Eurotex Industries and Exports Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term fund based limits	51.38	51.38	[ICRA]D; Withdrawn
Short-term non fund based limits	11.00	11.00	[ICRA]D; Withdrawn
Unallocated amount	21.62	21.62	[ICRA]D/[ICRA]D; Withdrawn
Total	**84.00**	**84.00**	

*Instrument details are provided in Annexure

Rationale

The ratings assigned for the bank facilities of Eurotex Industries and Exports Limited (EIEL) have been withdrawn at the request of the company and based on the No Objection Certificate received from its banker. However, ICRA does not have information to suggest that the credit risk has changed since the time the ratings were last reviewed.

Outlook: Not applicable

Key rating drivers

Key rating drivers have not been captured as the rated instrument(s) are being withdrawn.

Liquidity Position: Not applicable

Rating sensitivities: Not applicable

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	Standalone

About the company:

Eurotex Industries and Exports Limited is promoted by the Patodia Group, which was founded by Shri B. L. Patodia in 1938. The Group has over 65 years of experience in the textile industry. The company commenced operations in 1989 with a 100% export oriented spinning unit. The factory at Gokul Shirgaon in Kolhapur district of Maharashtra had 19,200 spindles. Over the years, with modernisation and expansion programmes, the company set up a spinning and knitted fabric manufacturing unit with 61,632 spindles (including 29,448 spindles of compact yarn), 51 Two for One (TFO) twisting machines and 24 circular knitting machines. The company enjoys power back-up for the whole facility with a 7MW captive power plant.

In FY2020, the company reported a net loss of Rs. 18.76 crore on an operating income of Rs. 49.60 crore.

Key financial indicators

	FY2019 Audited	FY2020 Audited
Operating Income (OI)	198.15	49.60
PAT	(17.07)	(18.76)
OPBDITA/OI (%)	-3.33%	-27.47%
PAT/OI (%)	-8.62%	-37.82%
Total Outside Liabilities/Tangible Net Worth (times)	3.68	16.15
Total Debt/ OPBDITA (times)	(5.06)	(2.08)
Interest Coverage (times)	(0.97)	(3.05)
DSCR	(0.87)	(3.05)

Amounts in Rs. crore
OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortisation; PAT: Profit after Tax; DSCR: Debt Service Coverage Ratio
Source: Financial statements of EIEL

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

	Instrument	Current Rating (FY2021)				Chronology of Rating History for the past 3 years				
		Type	Amount Rated	Amount Outstanding	Date & Rating	Date & Rating in FY2020	Date & Rating in FY2019			Date & Rating in FY2018
			(Rs. crore)	(Rs. crore)	31-Aug-20	-	15-Feb-19	23-Nov-18	21-May-18	3-Oct-17
1	Term Loan	Long Term	1.88	-	[ICRA]D Withdrawn	-	[ICRA]D	[ICRA]B+ (Stable)	[ICRA]BB- (Negative)	[ICRA]BB(Negative)
2	Cash Credit / Export packing Credit (EPC)	Long Term	49.50	-	[ICRA]D Withdrawn	-	[ICRA]D	[ICRA]B+ (Stable)	[ICRA]BB- (Negative)	[ICRA]BB(Negative)
3	Letter of Credit/ Bank Guarantee/ Credit Exposure Limit/ Forex Treasury Limit	Short Term	11.00	-	[ICRA]D Withdrawn	-	[ICRA]D	[ICRA]A4	[ICRA]A4	[ICRA]A4
4	Unallocated Limits	Long Term & Short Term	21.62	-	[ICRA]D/ [ICRA]D Withdrawn	-	[ICRA]D/ [ICRA]D	[ICRA]B+ (Stable)/ [ICRA]A4	[ICRA]BB- (Negative)/ [ICRA]A4	[ICRA]BB(Negative) /[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 o	Instrument Name	Date of Issuance/Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	-	-	-	1.88	[ICRA]D Withdrawn
NA	Cash Credit / Export packing Credit (EPC)	-	-	-	49.50	[ICRA]D Withdrawn
NA	Letter of Credit/ Bank Guarantee/ Credit Exposure Limit/ Forex	-	-	-	11.00	[ICRA]D Withdrawn
NA	Unallocated Limits	-	-	-	21.62	[ICRA]D/[ICRA]D Withdrawn

Source: Eurotex Industries and Exports 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.

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