

Sarup Industries Ltd

Brickwork Ratings downgraded the long term rating while reaffirming the short term rating for the Bank Loan Facilities of ₹ 22.01 Crores of Sarup Industries Ltd based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Sept, 2019)	Present
Fund Based	18.51	18.51	Long Term	BWR BB- Stable Downgrade Issuer Not Cooperating	BWR B+ Stable Downgrade Issuer Not Cooperating
Non-fund Based	3.50	3.50	Short Term	BWR A4 Reaffirmed Issuer Not Cooperating	BWR A4 Reaffirmed Issuer Not Cooperating
Total	22.01	22.01	INR Twenty Two Crores and One Lakh Only		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate, based on best available information.

Details of Bank facilities is provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The long term rating of the Bank Loan Facilities of the entity has been downgraded to BWR B+ Stable and reaffirming the short term rating to A4 under the 'Issuer Not Cooperating' category.

The entity was initially rated at BWR BB Stable/A4 on 08.01.18, and the rating revised to BWR BB- Stable/reaffirmed at BWR A4 under the Issuer Not Cooperating category on 30.09.19. The rating was due for review in Jan, 2019. BWR took up with the issuer consistently to provide required information over email. BWR was unable to reach its bankers, the banker's feedback regarding the conduct of account is not available. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the firm, BWR is unable to assess the entity's financial performance and its ability to service its debt.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	2019	2018
Result Type		Audited	Audited
Operating Revenue	₹ Cr	20.12	44.21
EBITDA	₹ Cr	-5.84	-0.26
PAT	₹ Cr	-9.15	-3.13
Tangible Net Worth	₹ Cr	9.86	19.01
Total Debt/Tangible Net Worth	Times	3.98	1.98

COMPANY PROFILE [As available with BWR]

Jalandhar based Sarup Industries Limited (SIL), listed on the Bombay Stock Exchange, was incorporated in 1979. SIL is currently engaged in the manufacturing of sports shoes and finished leather on a contract basis for brands such as Puma, Reebok, Bata, Decathlon and United Colors of Benetton. SIL operates through three manufacturing facilities (2 being in Jalandhar, Punjab and 1 in Una, Himachal Pradesh) with a combined installed capacity of manufacturing 12 lakh shoe uppers and 18 lakh shoe pairs per annum.

NON-COOPERATION WITH PREVIOUS RATING AGENCY: NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Facilities	Current Rating			Rating History		
	Tenure	Amount (₹ Cr)	Rating	2019	2018	2017
Fund Based	Long Term	18.51	BWR B+ Stable Downgrade Issuer Not Cooperating	BWR BB- Stable Downgrade Issuer Not Cooperating	BWR BB Stable Assigned	-
Non-fund Based	Short Term	3.50	BWR A4 Reaffirmed Issuer Not Cooperating	BWR A4 Reaffirmed Issuer Not Cooperating	BWR A4 Assigned	
Total		22.01	INR Twenty Two Crores and One Lakh Only			

* Issuer did not cooperate, based on best available information.

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **What constitutes Client Non Co-operation**

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ANNEXURE I

Sarup Industries Ltd Details of Bank Facilities rated by BWR

Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
SBI	CC	15.00	-	15.00
	SLC	0.50	-	0.50
	TL	3.01	-	3.01
	ILC/FLC/BG	-	3.50	3.50
TOTAL				22.01

Total Rupees Twenty Two Crores And One Lakh Only

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