



## Rating Rationale

Sri Bhagirath Textiles Ltd

20-Dec-2019

**Brickwork Ratings downgrades the long term rating and withdraws the ratings for the Bank Loan Facilities of Rs. 123.64 Crs. of Sri Bhagirath Textiles Ltd.**

### Particulars

Facility Rated	Amount (Rs. Cr)		Tenure	Rating*	
	Previous	Present		Previous	Present
<b>Fund Based (FB)</b>					
Cash Credit	50.00	50.00	Long Term	BWR BBB+/Stable	Downgrade to BWR BBB/Stable and Rating Withdrawn
(Sub-limit of Cash Credit) EPC/ EBD/ PCFC	(20.00)	(4.50)			
Term Loan	65.56	57.64			
Proposed Term Loan	15.00	-			
STDL	20.00	-			
SLC	6.00	6.00			
<b>Non- Fund Based (NFB)</b>					
Letter of Credit (Sublimit of CC)	(10.00)	(10.00)	Short Term	BWR A3	BWR A3 Rating Withdrawn
Bank Guarantee	10.00	10.00			
<b>Total Limits</b>	<b>166.56</b>	<b>123.64</b>	<b>(INR One Hundred Twenty Three Crores and Sixty Four Lakhs Only)</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

### Rating Action/Rationale:

The downgrade in the long term rating for the bank loan facilities of Sri Bhagirath Textiles Ltd factors the shortfall in the envisaged performance of the company in FY18-19 negatively impacting the coverage and liquidity indicators.



Brickwork Ratings has withdrawn the rating of BWR BBB/Stable/A3 of Sri Bhagirath Textiles Ltd.'s Bank Loan facilities aggregating to Rs. 123.64 Crs, at the request of the Company and No objection certificate has been received from bank that has extended the facilities rated by BWR.

**About the Company (As per the information available with BWR):**

Sri Bhagirath Textiles Ltd was incorporated on February 27, 1991. SBTL, a closely held family owned company, commenced its operation in 1991 by venturing in cotton trading. Primary business activity of SBTL is manufacturing and sale of cotton/blended yarn. SBTL manufactures ring spun polyester/viscose, polyester/cotton, 100% viscose single and double yarn in the count range of 40-50s. SBTL also manufactures 100% cotton yarn at open-ended spindles having count range of 12-30s. SBTL is also engaged in the trading of cotton bales. SBTL is the flagship company of Nagpur-based SB Rander group. The group has its presence in diversified business activities, including ginning, cotton trading, quarries, marbles and infrastructure.

**Key Financials\$ of Sri Bhagirath Textiles Ltd:**

<b>Amounts in Rs. Cr.</b>	<b>FY 18 (Audited)</b>	<b>FY 19 (Audited)</b>
Total Operating Income	448.2	440.34
PAT	8.08	7.66
Tangible Networth	53.67	61.38
Total Debt	188.78	181.64
D/E (times)	3.52	2.96

<sup>s</sup>As per BWR calculations

**Status of non-cooperation with previous CRA: NA**

**Any other information: NA**

**Analytical Approach:**

BWR has applied its rating methodology as detailed in the rating criteria detailed below (hyperlinks provided at the end of this rationale).

**Rating History for the last three years**

SI No	Facility	Current Rating (Year 2019)			Rating		
		Type	Amount (Rs. Crs)	Rating	Aug-2017**	April-2016	June-2015
<b>Fund Based (FB)</b>							
1	Cash Credit	<b>Long Term</b>	50.00	<b>Downgrade to BWR BBB/Stable and Rating Withdrawn</b>	<b>BWR BBB+/Stable</b>	<b>BWR BBB/Stable</b>	<b>BWR BBB/Stable</b>
2	(Sub-limit of Cash Credit)		(4.50)				
3	EPC/ EBD/ PCFC		57.64				
4	Term Loan		-				
5	Proposed Term Loan		-				
6	STDL		6.00				
6	SLC						
<b>Non- Fund Based (NFB)</b>							
7	Letter of Credit (Sublimit of CC)	<b>Short Term</b>	(10.00)	<b>BWR A3 Rating Withdrawn</b>	<b>BWR A3</b>	<b>BWR A3</b>	<b>BWR A3</b>
8	Bank Guarantee		10.00				
	<b>Total Limits</b>		<b>123.64</b>	<b>(INR One Hundred Twenty Three Crores and Sixty Four Lakhs Only)</b>			

\*\*Rating moved to not reviewed advisory in Nov-2018.

**Banker: State Bank of India**

**Hyperlink/Reference to applicable Criteria**

- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [Rating Withdrawal Policy](#)



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