

November 23, 2022

## Sanchem Fabrics Limited: Continues to remain under issuer Non-Cooperating category

### Summary of rating action

| Instrument <sup>^</sup>        | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action   |
|--------------------------------|-----------------------------------|----------------------------------|---|
| Fund-based - Term Loan         | 7.70                              | 7.70                             | [ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category |
| Fund-based – Cash Credit       | 4.00                              | 4.00                             | [ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category |
| Non-fund based -Bank Guarantee | 0.30                              | 0.30                             | [ICRA]A4; ISSUER NOT COOPERATING*; Continues to remain under the 'Issuer Not Cooperating' category.           |
| <b>Total</b>                   | <b>12.00</b>                      | <b>12.00</b>                     |   |

*\*Issuer did not cooperate; based on best available information.*

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has retained the rating for the bank facilities of Sanchem Fabrics Limited. in the 'Issuer Not Cooperating' category. The ratings are denoted as “[ICRA]B+(Stable)/[ICRA]A4; ISSUER NOT COOPERATING”

ICRA has been trying to seek information from the entity so as to monitor its Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at [www.icra.in](http://www.icra.in).

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key Financial Indicator [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

| Analytical Approach             | Comments  |
|---------------------------------|---|
| Applicable Rating Methodologies | <a href="#">Policy in respect of non-cooperation by the rated entity</a><br><a href="#">Corporate Credit Rating Methodology</a> |
| Parent/Group Support            | Not Applicable  |
| Consolidation/Standalone        | Standalone  |

### About the company

Sanchem Color Limited was incorporated in 1999 by members of Agarwal family and was later named as Sanchem Fabrics Limited (SFL) in 2011. The company is engaged in the trading of textile chemicals manufacturing of greige fabric for shirting,

suiting and bed sheet. The manufacturing plant of the company located at Piplaj, Ahmedabad and is equipped with ~26 looms having an installed capacity to manufacture ~3,00,000 metres of fabric per month.

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

Any other information: None

### Rating history for past three years

|   | Instrument                    | Current Rating (FY2023) |                          |                                |   | Chronology of Rating History for the past 3 years |   |                         |  |
|---|-------------------------------|-------------------------|--------------------------|--------------------------------|---|---|---|-------------------------|--|
|   |                               | Type                    | Amount Rated (Rs. crore) | Amount Outstanding (Rs. Crore) | Date & Rating in                          | Date & Rating in FY2022                           | Date & Rating in FY2021                   | Date & Rating in FY2020 |  |
|   |                               |                         |                          |                                | November 23,2022                          | October 06,2021                                   | July 30, 2020                             | -                       |  |
| 1 | Fund Based-Cash Credit        | Long Term               | 4.00                     | -                              | [ICRA]B+ (Stable); ISSUER NOT COOPERATING | [ICRA]B+ (Stable); ISSUER NOT COOPERATING         | [ICRA]B+ (Stable); ISSUER NOT COOPERATING | -                       |  |
| 2 | Fund Based-Term Loan          | Long Term               | 7.70                     | -                              | [ICRA]B+ (Stable); ISSUER NOT COOPERATING | [ICRA]B+ (Stable); ISSUER NOT COOPERATING         | [ICRA]B+ (Stable); ISSUER NOT COOPERATING | -                       |  |
| 3 | Non Fund Based-Bank Guarantee | Short Term              | 0.30                     | -                              | [ICRA]A4; ISSUER NOT COOPERATING          | [ICRA]A4; ISSUER NOT COOPERATING                  | [ICRA]A4; ISSUER NOT COOPERATING          | -                       |  |

### Complexity level of the rated instrument

| Instrument     | Complexity Indicator |
|----------------|----------------------|
| Cash Credit    | Simple               |
| Term Loan      | Simple               |
| Bank Guarantee | Very Simple          |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

**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      | Fund Based-Cash Credit          | -                           | -           | -             | 4.00                    | [ICRA]B+(Stable); ISSUER NOT COOPERATING |
| NA      | Fund Based -Term Loan           | -                           | -           | -             | 7.70                    | [ICRA]B+(Stable) ;ISSUER NOT COOPERATING |
| NA      | Non-fund based - Bank Guarantee | -                           | -           | -             | 0.30                    | [ICRA]A4; ISSUER NOT COOPERATING         |

**Source : Sanchem Fabrics Limited**

**Annexure-2: List of entities considered for consolidated analysis: Not Applicable.**

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### Branches



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