

## Press Release

S.M. Lulla Industries World Wide

December 14, 2022



### Rating Downgraded & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Bank Ratings</b> <b>Loan</b>	2.90	ACUITE BB+   Downgraded & Withdrawn   Issuer not co-operating*	-
<b>Bank Ratings</b> <b>Loan</b>	24.50	-	ACUITE A4+   Downgraded & Withdrawn   Issuer not co-operating*
<b>Total Outstanding Quantum</b> (Rs. Cr)	0.00	-	-
<b>Total Withdrawn Quantum</b> (Rs. Cr)	27.40	-	-

### Rating Rationale

Acuite has downgraded & withdrawn the long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) and short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3+**' (read as **ACUITE A three plus**) on the Rs.27.40 crore bank facilities of S M Lulla Industries Worldwide. The rating withdrawal is in accordance with the Acuite's policy on withdrawal of rating. This rating is now an indicative rating and is based on best available information. The rating is being withdrawn on account of request received from the company and NOC received from the banker.

### About the Company

S M Lulla industries Worldwide (SML), set up in 1994, is a Chennai-based partnership firm promoted by Mr. Sanjay Kumar Mohan Singh Lulla and Mrs. Mona Sanjay Kumar Lulla. The firm is engaged in manufacturing and exporting of leather garments to Europe and Canada. It is a 100 percent export business. The firm has 8 manufacturing units (own) located in Chennai with an installed capacity of manufacturing 30,000 garments per month.

### Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not cooperating", in line with prevailing SEBI regulations and Acuite's policies.

### Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon

### Material Covenants

None

### Liquidity Position

No information provided by the issuer / available for Acuite to comment upon

### Outlook:

Not Applicable

### Key Financials

The issuer has not provided the latest financial statements for Acuite to comment upon

### Status of non-cooperation with previous CRA

None

### Any other information

"Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups"

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in)

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
29 Sep 2021	Standby Line of Credit	Short Term	2.00	ACUITE A3+ (Reaffirmed)
	Proposed Bank Facility	Short Term	7.00	ACUITE A3+ (Reaffirmed)
	Proposed Bank Facility	Long Term	2.90	ACUITE BBB   Stable (Reaffirmed)

	Letter of Credit	Short Term	3.00	ACUITE A3+ (Reaffirmed)
	Bills Discounting	Short Term	12.50	ACUITE A3+ (Reaffirmed)
30 Jul 2020	Bills Discounting	Short Term	10.00	ACUITE A3+ (Reaffirmed)
	Bills Discounting	Short Term	1.50	ACUITE A3+ (Reaffirmed)
	Packing Credit	Long Term	2.50	ACUITE BBB   Stable (Reaffirmed)
	Letter of Credit	Short Term	3.00	ACUITE A3+ (Reaffirmed)
	Proposed Bank Facility	Long Term	1.40	ACUITE BBB   Stable (Reaffirmed)
	Standby Line of Credit	Short Term	2.00	ACUITE A3+ (Reaffirmed)
	Proposed Bank Facility	Short Term	7.00	ACUITE A3+ (Reaffirmed)
04 Jun 2019	Bills Discounting	Short Term	1.50	ACUITE A3+ (Reaffirmed)
	Bills Discounting	Short Term	10.00	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	3.00	ACUITE A3+ (Reaffirmed)
	Proposed Bank Facility	Long Term	1.40	ACUITE BBB   Stable (Reaffirmed)
	Standby Line of Credit	Short Term	2.00	ACUITE A3+ (Reaffirmed)
	Proposed Bank Facility	Short Term	7.00	ACUITE A3+ (Reaffirmed)
	Packing Credit	Long Term	2.50	ACUITE BBB   Stable (Reaffirmed)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	Simple	12.50	ACUITE A4+   Downgraded & Withdrawn   Issuer not co-operating*
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	3.00	ACUITE A4+   Downgraded & Withdrawn   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	2.90	ACUITE BB+   Downgraded & Withdrawn   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Short Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	7.00	ACUITE A4+   Downgraded & Withdrawn   Issuer not co-operating*
State Bank of India	Not Applicable	Stand By Line of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	2.00	ACUITE A4+   Downgraded & Withdrawn   Issuer not co-operating*

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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