

Press Release

Shreeram & Sons

January 29, 2020

Rating Update



Total Bank Facilities Rated	Rs. 20.00 Cr. #
Short Term Rating	ACUITE A4+ Issuer not co-operating*

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has reviewed the short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 20.00 crore bank facilities of Shreeram & Sons. This rating is now an indicative rating and is based on best available information.

Established in 2013, Shreeram & sons (SAS) is a Bangalore based partnership firm is engaged in manufacturing & exporting readymade garments. The firm is established by Mr. Bhagwat Sharad Kumar and Mr. V. Ramesh. SAS primarily is catering to the markets of USA, Italy and South Korea for its overseas clients and domestic clients in the form of Mirza International Limited (Redtape brand). The firm is also exporting to reputed global brands like Micheal Kors USA, Shinsegae International Inc (South Korea). The factory is Worldwide Responsible Accredited Production (WRAP) certified.

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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Default Recognition- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-59.htm>

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). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

	Unit	FY19 (Actual)	FY18 (Actual)
Operating Income	Rs. Cr.	53.23	40.57
PAT	Rs. Cr.	1.01	0.90
PAT Margin	(%)	2.64	2.22
Total Debt/Tangible Net Worth	Times	2.46	4.86
PBDIT/Interest	Times	1.59	1.62

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

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

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
23-Nov-2018	Packing Credit	Short term	15.00	ACUITE A4+ (Reaffirmed)
	Proposed packing Credit	Short Term	2.00	ACUITE A4+ (Assigned)
	Letter of Credit	Short term	1.00	ACUITE A4+ (Reaffirmed)
	Proposal letter of Credit	Short Term	2.00	ACUITE A4+ (Assigned)
25-May-2018	Packing Credit	Short term	15.00	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Reaffirmed)
23-May-2017	Packing Credit	Short term	7.50	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Assigned)

Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Packing Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE A4+ Issuer not co-operating*
Proposed Packing Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4+ Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4+ Issuer not co-operating*
Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4+ Issuer not co-operating*

*The issuer did not co-operate; based on best available information

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About Acuite Ratings & Research:

Acuite Ratings & Research Limited (*erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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