

Press Release
TRK TEXTILE INDIA PRIVATE LIMITED
August 28, 2025
Rating Reaffirmed and Upgraded



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term
Bank Loan Ratings	72.50	ACUITE BB+ Stable Upgraded	-
Bank Loan Ratings	11.50	-	ACUITE A4+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	84.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) and reaffirmed its short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on Rs.84.00 Cr. bank facilities of TRK Textile India Private Limited (TRK). The outlook is '**Stable**'.

Rationale for rating upgrade:

The rating upgrade reflects migration from 'Issuer Not Cooperative' status. The rating also considers the management's extensive experience in textile industry, augmentation in business risk profile due to addition of two new firms under the group, stable margins and anticipated benefits from the integrated operations in the near term. However, it remains constrained by moderate financial risk profile, working capital intensive operations, susceptibility of the margins to volatility in the raw material prices in an intensely competitive textile industry and capital withdrawal risk inherent in constitution of the firm associated with the group companies of TRK.

About the Company

Tirupur (Tamil Nadu) based, TRK Textile India Private Limited (TRK) was incorporated in 2006 and is promoted by Mr. Saravanan. S and Mrs. Sathya Saravanan Kandasamy. The company is engaged in manufacturing of cotton yarn and knitted fabric. TRK has an installed capacity of 18,000 spindles and manufactures 100 percent cotton combed yarn of count 16's to 44's. It also has an installed capacity of knitting fabric of 2 tonnes per day (TPD) and in-house power generation capacity of 6(MW) for captive consumption.

About the Group

SS Cotex, a partnership firm established in 2024 by Mr. Saravanan Subramaniam and Ms. Satya Saravanan Kandasamy, and SS Corporation, a sole proprietorship founded in 2023 and managed by Ms. Satya Saravanan Kandasamy, were set up as part of a strategic expansion involving forward and horizontal integration in the yarn manufacturing segment. SS Cotex focuses on value addition and garment manufacturing using yarn produced by TRK Textiles, while SS Corporation manufactures polyester-blended yarn utilizing cotton waste generated by TRK Textiles.

Unsupported Rating

Not applicable

Analytical Approach

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has consolidated the business and financial risk profiles of TRK Textile India Private Limited, SS Cotex and SS Corporation. Herein after referred as TRK group. The consolidation is due to common management, operational linkages resulting in integrated operations.

Key Rating Drivers

Strengths

Extensive experience of promoters.

TRK group is owned and managed by Mr. Saravanan S with around two decades of experience in the textile industry. Mrs. Sathya Saravanan Kandasamy is the other key Director. The extensive experience has enabled the company to establish healthy relationships with customers and suppliers, to ensure a steady raw material supply. Acuite believes that the promoter's extensive experience in the textile industry and healthy relationship with customers and suppliers is expected to support its business risk profile over the medium term.

Augmentation of business risk profile:

The TRK group registered revenue of Rs.208.55 Cr. in FY2025 against Rs.131.52 Cr. This growth in revenue was due to augmentation of operations through establishment of two new firms which have reported trading revenue since it was there initial year of operations. These additions, aligned with forward and horizontal integration strategies, contributed significantly to the group's revenue growth. During Q1FY2026, the group registered revenue of Rs.48.74 Cr. and expected to close the year with the revenue of Rs.230-240 Cr. The operating profit margin of the group remained stable at 7.40 percent in FY2025 as against 7.38 percent in FY2024. Consequently, the PAT margins of the group improved to 1.65 percent in FY2025 from -0.37 percent in FY2024. Acuite believes, the group's revenue will improve over the medium term on account of scaling up of group's operations while profitability is expected to show marginal improvement due to expected reduction of trading activities.

Weaknesses

Moderate financial risk profile

The group's financial risk profile remained moderate, with moderate net worth, high gearing level and improved debt protection metrics. The group's networth stood at Rs.32.75 Cr. as on March 31, 2025 against Rs. 26.19 Cr. as on March 31, 2024. The improvement in networth is due to infusion of Rs.3.89 Cr. capital by promoters. The total debt of the group (comprises long-term debt of Rs.14.21 Cr. short-term debt of Rs.59.22 Cr. and unsecured loans of Rs.11.12 Cr.) stood at Rs.84.54 Cr. as on March 31, 2025 against Rs.71.24 Cr. as on March 31, 2024. Despite the increase in debt levels, the gearing level improved marginally to 2.58 times as of March 31, 2025 from 2.72 times as of March 31, 2024. due to improvement in networth. Total Outside Liabilities/ Tangible Net Worth (TOL/TNW) remained at 3.07 times as on March 31, 2025 against 3.02 times as on March 31, 2024. Debt protection metrics improved in FY2025 with Interest coverage ratio (ICR) and debt service coverage ratio (DSCR) stood at 2.43 times and 1.15 times respectively as on March 31, 2025 from 1.39 times and 0.66 times respectively as of March 31, 2024. Debt to EBITDA has improved to 5.48 times as of March 31, 2025 from 7.34 times as on March 31, 2024 due to improvement in EBITDA. Acuite believes, the gearing and debt protection metrics are expected to improve on account of improving profitability and no plans of major debt-funded capex.

Working capital intensive nature of operations:

The working capital operations of the group are remained intensive, as reflected in Gross current asset (GCA) of 198 days in FY2025 as against 227 days in FY2024. Elongation in GCA days is due to elongated debtor days which remained at 137 days over the last two years. Due to the intense competition in the industry, the group extended its credit policy with customers to 120 days, resulted in pileup of debtors during the last quarter of FY2025. Additionally, the group maintains an inventory policy of 45 days for raw materials and 75 days for finished goods, which further taking the GCA days to elongated levels. The company makes advance payments to suppliers or enjoys a credit period of 7–24 days from their suppliers. The current ratio remained at 1.52 times as on March 31, 2025. The intensive working capital operations led to higher reliance on the fund based working capital operations, which were utilized at an average of 95 percent over the past 6 months ending June 2025.

Acuite believes that, the working capital operations will remain working capital intensive over the medium term due to elongated debtor days.

Susceptibility of profitability to the fluctuations in raw material prices

The profitability of the yarn manufacturing companies remains highly susceptible to the fluctuations in raw material prices, particularly cotton. Given the raw material constitutes a significant portion of the overall

production cost, any sharp increase in prices can impact margins, especially in competitive market where passing on costs to customers is limited.

Inherent risk of capital withdrawals in partnership & sole proprietorship firms

TRK group remains exposed to the inherent risk of capital withdrawals by partners, given constitution of its group entities as a partnership and a sole proprietorship firm. Any substantial withdrawals from partners capital will have a negative impact on the firm's financial risk profile and can constrain the firm's ability to maintain adequate liquidity.

Rating Sensitivities

- Scaling- up of groups operations while improving the profitability.
- Any deterioration in financial risk profile due to higher- than-expected debt infusion.
- Any elongation in the working capital cycle leading to deterioration in liquidity.

Liquidity position: Adequate

The group's liquidity position is adequate with sufficient net cash accruals (NCA) of Rs.9.21 Cr. against the repayment obligations of Rs.7.22 Cr. The group is expected to register NCA' ranging between Rs11-16 Cr. over the medium term against the expected debt repayment range of Rs.4-5 Cr. The group's working capital operations are intensive with GCA days of 198 days in FY2025 with high reliance on the fund based working capital limits, which were utilized at an average of 95 percent over the past 6 months ending June 2025. Further, the current ratio stood at 1.52 times as on March 31, 2025 and unencumbered cash and bank balances stood low at Rs.0.10 Cr. as on March 31, 2025. Acuite believes that liquidity position of the company will further improve over the medium term on account of healthy NCA generation.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	208.55	131.52
PAT	Rs. Cr.	3.44	(0.49)
PAT Margin	(%)	1.65	(0.37)
Total Debt/Tangible Net Worth	Times	2.58	2.72
PBDIT/Interest	Times	2.43	1.39

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

Not applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
04 Aug 2025	Letter of Credit	Short Term	7.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Stand By Line of Credit	Short Term	4.50	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Cash Credit	Long Term	30.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Term Loan	Long Term	2.44	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Working Capital Term Loan	Long Term	0.76	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Term Loan	Long Term	4.17	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Term Loan	Long Term	2.18	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Term Loan	Long Term	1.55	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Term Loan	Long Term	7.04	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Term Loan	Long Term	0.29	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Term Loan	Long Term	2.87	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Proposed Long Term Bank Facility	Long Term	10.70	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Proposed Long Term Bank Facility	Long Term	0.50	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
07 May 2024	Letter of Credit	Short Term	7.00	ACUITE A4+ (Reaffirmed)
	Stand By Line of Credit	Short Term	4.50	ACUITE A4+ (Reaffirmed)
	Term Loan	Long Term	1.55	ACUITE BB Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	7.04	ACUITE BB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.50	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	0.29	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	2.87	ACUITE BB Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	2.44	ACUITE BB Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	0.76	ACUITE BB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	10.70	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	4.17	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	2.18	ACUITE BB Stable (Reaffirmed)
	Letter of Credit	Short Term	7.00	ACUITE A4+ (Reaffirmed)

07 Feb 2023	Stand By Line of Credit	Short Term	4.50	ACUITE A4+ (Assigned)
	Term Loan	Long Term	7.08	ACUITE BB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.50	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	0.71	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	3.75	ACUITE BB Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	5.06	ACUITE BB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.17	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	5.55	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	2.90	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	2.32	ACUITE BB Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BB Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	4.46	ACUITE BB Stable (Reaffirmed)
04 Apr 2022	Bank Guarantee/Letter of Guarantee	Short Term	1.00	ACUITE A4+ (Upgraded from ACUITE A4)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Upgraded from ACUITE A4)
	Cash Credit	Long Term	34.00	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Term Loan	Long Term	5.19	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Working Capital Term Loan	Long Term	6.76	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Proposed Long Term Bank Facility	Long Term	15.22	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Term Loan	Long Term	1.24	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Term Loan	Long Term	2.65	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Term Loan	Long Term	2.06	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Term Loan	Long Term	3.85	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Term Loan	Long Term	0.16	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Term Loan	Long Term	0.87	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE BB+ Stable Upgraded (from ACUITE BB-)
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BB+ Stable Upgraded (from ACUITE BB-)
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE A4+ Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.25	Simple	ACUITE BB+ Stable Upgraded (from ACUITE BB-)
State Bank of India	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.50	Simple	ACUITE A4+ Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2030	2.87	Simple	ACUITE BB+ Stable Upgraded (from ACUITE BB-)
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2028	4.17	Simple	ACUITE BB+ Stable Upgraded (from ACUITE BB-)
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2028	2.18	Simple	ACUITE BB+ Stable Upgraded (from ACUITE BB-)
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2026	1.55	Simple	ACUITE BB+ Stable Upgraded (from ACUITE BB-)
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2026	7.04	Simple	ACUITE BB+ Stable Upgraded (from ACUITE BB-)
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2026	2.44	Simple	ACUITE BB+ Stable Upgraded (from ACUITE BB-)

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr.No	Company name
1	TRK Textile India Private Limited
2	SS Cotex
3	SS Corporation

Contacts

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