



**Press Release**  
**Sunita Impex Private Limited**  
**December 27, 2024**  
**Rating Downgraded**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1.05	ACUITE D   Downgraded	-
Bank Loan Ratings	9.98	-	ACUITE D   Downgraded
Total Outstanding Quantum (Rs. Cr)	11.03	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has downgraded the long-term rating to ‘**ACUITE D**’ (read as **ACUITE Df**) from ‘**ACUITE B-**’ (read as **ACUITE B minus**) and the short-term rating to ‘**ACUITE D**’ (read as **ACUITE Df**) from ‘**ACUITE A4**’ (read as **ACUITE A four**) to the Rs. 11.03 crore bank facilities of Sunita Impex Private Limited (SIPL).

**Rationale for downgrade**

The downgrade in the rating is on account of delays in repayment of debt obligations by SIPL as reflected in its Credit Bureau Information report, latest being in the month of October 2024.

**About the Company**

Sunita Impex Private Limited was established as a partnership firm with the name ‘M/s Sunita Textile & Engineer’ in 1974 by the Sonika family of Kolkata, West Bengal. The firm was converted to a private limited company in June, 1991 with its current name. Since its inception, Sunita Impex Private Limited has been engaged in manufacturing and export of readymade garments and trading of engineering goods. The company has a plant situated at Bangalore operating at an installed capacity of 1 million pieces per annum. The readymade garments and engineering goods are sold to countries including France, Bangladesh, Ivory Coast and Ethiopia.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and risk profile of SIPL to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Long operational track record and experienced management**

Sunita Impex Private Limited (SIPL) has been in the garment industry and trading of engineering goods for about five decades since 1974. Acuite believes that the long track record of operations will benefit the company going forward, resulting in steady growth in the scale of operations. Further, the key promoter of the company Mr. Sushil Kumar Sonika and Mr. Sunil Sonika have over four decades of experience in a similar line of operation.

**Weaknesses**

**Below average financial risk profile**

The company's financial risk profile is below average marked by declining net worth, high gearing and moderate debt protection metrics. The tangible net worth of the company stood at Rs. 2.24 Cr. as on FY2023 as compared to Rs.3.37 Cr. as on FY2022 due to losses during the year which eroded the capital. The gearing of the company

stood high at 6.81 times as on FY2023. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) has increased and stood at 8.18 times as on FY2023. The debt protection metrics of the company remain constrained marked by Interest coverage ratio (ICR) of (0.05) times and debt service coverage ratio (DSCR) of 0.18 times for FY2023. The net cash accruals to total debt (NCA/TD) stood at (0.06) times in FY2023.

**Working capital intensive nature of operations**

SPIL has high working capital requirements as evident from gross current assets (GCA) of 299 days for FY2023 and 275 days for the FY2022. Debtor days increased to 141 days in FY2023 as against 114 days in FY2022. Inventory days increased to 78 days in FY2023 as against 56 days in FY2022. Creditor days of the company stood at 113 days as on FY2023 as compared to 66 days of FY2022.

**Delays in servicing term debt obligations**

There have been an instance of delay in servicing of debt obligation by the company, latest being in October, 2024 as reported in its credit bureau information report.

**Rating Sensitivities**

Timely servicing of term debt obligations

**Liquidity Position****Poor**

The company has made delays in repayment of debt obligations in recent months, latest being in the month of October 2024.

**Outlook: Not Applicable****Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	18.48	16.08
PAT	Rs. Cr.	(1.13)	(2.48)
PAT Margin	(%)	(6.13)	(15.39)
Total Debt/Tangible Net Worth	Times	6.81	3.49
PBDIT/Interest	Times	(0.05)	(3.54)

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

Not Applicable

## Any other information

None

## Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.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. Acuité'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
15 May 2024	PC/PCFC	Short Term	1.50	ACUITE A4 (Reaffirmed)
	PC/PCFC	Short Term	1.50	ACUITE A4 (Reaffirmed)
	Bills Discounting	Short Term	4.00	ACUITE A4 (Reaffirmed)
	Bills Discounting	Short Term	2.20	ACUITE A4 (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	0.28	ACUITE A4 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	0.50	ACUITE A4 (Reaffirmed)
	Term Loan	Long Term	1.05	ACUITE B-   Stable (Reaffirmed)
15 Feb 2023	PC/PCFC	Short Term	1.50	ACUITE A4 (Reaffirmed)
	PC/PCFC	Short Term	1.50	ACUITE A4 (Reaffirmed)
	Bills Discounting	Short Term	4.00	ACUITE A4 (Reaffirmed)
	Bills Discounting	Short Term	2.20	ACUITE A4 (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A4 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	0.75	ACUITE A4 (Reaffirmed)
	Term Loan	Long Term	0.08	ACUITE B-   Stable (Downgraded from ACUITE B   Stable)
19 Jan 2022	Bank Guarantee (BLR)	Short Term	0.75	ACUITE A4 (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A4 (Reaffirmed)
	PC/PCFC	Short Term	1.50	ACUITE A4 (Reaffirmed)
	PC/PCFC	Short Term	1.50	ACUITE A4 (Reaffirmed)
	Bills Discounting	Short Term	4.00	ACUITE A4 (Reaffirmed)
	Bills Discounting	Short Term	2.20	ACUITE A4 (Reaffirmed)
	Term Loan	Long Term	0.08	ACUITE B   Stable (Reaffirmed)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.50	Simple	ACUITE D   Downgraded ( from ACUITE A4 )
Canara Bank	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE D   Downgraded ( from ACUITE A4 )
Canara Bank	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.20	Simple	ACUITE D   Downgraded ( from ACUITE A4 )
Canara Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.50	Simple	ACUITE D   Downgraded ( from ACUITE A4 )
Canara Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.50	Simple	ACUITE D   Downgraded ( from ACUITE A4 )
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.28	Simple	ACUITE D   Downgraded ( from ACUITE A4 )
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	27 Nov 2023	1.05	Simple	ACUITE D   Downgraded ( from ACUITE B- )

## Contacts

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### About Acuité Ratings & Research

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