

## Press Release

Uni Sourcce Treend India

May 11, 2023



### Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.30	ACUITE BB   Reaffirmed   Issuer not co-operating*	-
Bank Loan Ratings	24.00	-	ACUITE A4+   Reaffirmed   Issuer not co-operating*
<b>Total Outstanding Quantum (Rs. Cr)</b>	28.30	-	-

### Rating Rationale

Acuité has reaffirmed the long-term rating to '**ACUITE BB**' (read as **ACUITE double B**) and the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 28.30 crore bank facilities of Uni Sourcce Treend India (USTI). The rating continues to be flagged as "Issuer Not-Cooperating" and is reaffirmed on account of information risk.

### About the Company

Uni Sourcce Treend India (USTI) is a Tamil Nadu based firm established as a proprietorship firm in 2004 and later in 2006 converted to a partnership firm. The firm is engaged in manufacturing of readymade garments for men, women and children. The firm has installed capacity to manufacture 70 lakh pieces per annum. The firm sells its products to some of the reputed customers, namely Max Holding and Investment Limited, Dubai (MHIL), Shinsegae International, South Korea, Next Plc, among others. The firm is in the said line of business since 2004. The firm is promoted by Mr. C V Sudhakar, Mr. Jagathan and other partners, who possess more than two decades of experience in the textile industry.

### Non-cooperation by the issuer/borrower:

Acuité 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.

Acuité 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 Acuité'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 Sensitivity

"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

### Other Factors affecting Rating

Not Applicable

### Key Financials

Particulars	Unit	FY 19 (Provisional)	FY 18 (Actual)
Operating Income	Rs. Cr.	169.62	138.31
PAT	Rs. Cr.	2.93	1.75
PAT Margin	(%)	1.73	1.26
Total Debt/Tangible Net Worth	Times	1.14	1.58
PBDIT/Interest	Times	3.50	3.42

### Status of non-cooperation with previous CRA

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.

### Applicable Criteria

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

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite 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
11 Feb 2022	Term Loan	Long Term	0.63	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	2.59	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bills Discounting	Short Term	8.00	ACUITE A4+ ( Issuer not co-operating*)
	Packing Credit	Short Term	16.00	ACUITE A4+ ( Issuer not co-operating*)

	Term Loan	Long Term	1.08	ACUITE BB (Downgraded and Issuer not co-operating*)
11 Nov 2020	Term Loan	Long Term	1.08	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Bills Discounting	Short Term	8.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	2.59	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.63	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Packing Credit	Short Term	16.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	Simple	8.00	ACUITE A4+   Reaffirmed   Issuer not co-operating*
Union Bank of India	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	16.00	ACUITE A4+   Reaffirmed   Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	2.59	ACUITE BB   Reaffirmed   Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.08	ACUITE BB   Reaffirmed   Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.63	ACUITE BB   Reaffirmed   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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