

Press Release
Sreekumaar Texind Corporation

October 31, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	7.50	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	7.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.7.50 Crore bank facilities of Sreekumaar Texind Corporation (STC). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

The Tamil Nadu-based, Sreekumaar Texind Corporation (STC) is a partnership firm established in the year 1998. The partners are Mr. M.A. Ramaswamy, Mr. R. Senthil Kumar, Mr. R. Akilamani, Ms. S. Priyadharsini and Ms. R. Umamaheswari. The firm is engaged in manufacturing and exporting garments mainly Shirts for Men (65%), Women (30%) and Kids (5%). STC exports majorly to USA. The firm has 3 manufacturing units with combined installed capacity of producing 60000 pieces 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). 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

The rated entity has not shared the latest financial statements despite repeated requests.

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

None

Status of non-cooperation with previous CRA

None

Any other information

The rated entity has not shared the latest financial statements despite repeated requests.

Applicable Criteria

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

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
09 Aug 2021	Bills Discounting	Short Term	7.50	ACUITE A4 (Issuer not co-operating*)
07 May 2020	Bills Discounting	Short Term	7.50	ACUITE A4 (Issuer not co-operating*)
22 Feb 2019	Bills Discounting	Short Term	7.50	ACUITE A4 (Downgraded from ACUITE A4+)
14 Dec 2018	Bills Discounting	Short Term	7.50	ACUITE A4+ (Issuer not co-operating*)
03 Mar 2016	Bills Discounting	Short Term	7.50	ACUITE A4+ (Upgraded from ACUITE A4)
19 Feb 2015	Bills Discounting	Short Term	7.50	ACUITE A4 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
UCO Bank	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	7.50	ACUITE A4 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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