

Sriyansh Knitters

July 05, 2018

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities	11.50	CARE B; ISSUER NOT COOPERATING (Single B; ISSUER NOT COOPERATING)	Issuer not cooperating, Revised from CARE BB-; Issuer not cooperating (Double B Minus; Issuer Not Cooperating)
Short term Bank Facilities	1.50	CARE A4; ISSUER NOT COOPERATING (A Four; ISSUER NOT COOPERATING)	Issuer not cooperating
Total	13.00 (Rs. Thirteen crore only)		

Details of instruments/facilities in Annexure-I

Detailed Rationale and key rating drivers

CARE has been seeking information from Sriyansh Knitters to monitor the rating(s) vide e-mail communications/letters dated May 28, 2018 and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In the absence of minimum information required for the purpose of rating, CARE is unable to express opinion on the rating. In line with the extant SEBI guidelines CARE's rating on Sriyansh Knitters' bank facilities will now be denoted as **CARE B / CARE A4; ISSUER NOT COOPERATING***.

Detailed description of the key rating drivers

The revision in ratings takes into consideration the following weaknesses:

Highly competitive and fragmented industry

The firm operates in highly fragmented textile manufacturing industry due to the presence of large number of entities in the unorganized sector and established players in the organized sector. Further, the firm is also exposed to competitive pressures from domestic players as well as from players situated in China and Bangladesh.

Partnership nature of its constitution

SK's constitution as a partnership firm leads to limited financial flexibility and inherent risk of capital withdrawal at the time of personal contingency and firm being dissolved upon the death/retirement/insolvency of partner.

Analytical Approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)
[Criteria on assigning Outlook to Credit Ratings](#)
[CARE's Policy on Default Recognition](#)
[Rating Methodology-Manufacturing Companies](#)
[Financial ratios – Non-Financial Sector](#)
[Criteria for Short Term Instruments](#)

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

About the Firm

Sriyansh Knitters is a partnership firm established in 1967 and managed by Mr. Dinesh Kumar and his four family members with partners having equal profit sharing ratio. The firm is engaged in trading of textile products and also manufacturing of readymade garments. The firm has a manufacturing unit in Ludhiana which has nine knitting machines and a manufacturing capacity of 6 lakh garments per annum.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History (Last three years): Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over nearly two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	11.50	CARE B; ISSUER NOT COOPERATING* Issuer not cooperating
Non-fund-based - ST-Letter of credit	-	-	-	0.50	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating
Fund-based - ST- Standby Line of Credit	-	-	-	1.00	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating

*Issuer did not co-operate

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Cash Credit	LT	11.50	CARE B; ISSUER NOT COOPERATING* Issuer not cooperating	-	1)CARE BB-; ISSUER NOT COOPERATING* (20-Apr-17)	1)CARE BB- (19-Apr-16)	-
2.	Non-fund-based - ST-Letter of credit	ST	0.50	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating	-	1)CARE A4; ISSUER NOT COOPERATING* (20-Apr-17)	1)CARE A4 (19-Apr-16)	-
3.	Fund-based - ST- Standby Line of Credit	ST	1.00	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating	-	1)CARE A4; ISSUER NOT COOPERATING* (20-Apr-17)	1)CARE A4 (19-Apr-16)	-

*Issuer did not co-operate

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