

Press Release

Knitcraft Apparels International Private Limited (KA IPL)

15 November, 2017



Rating Update

Total Bank Facilities Rated*	Rs.39.00 Cr
Short Term Rating (Indicative)	SMERA A3 Issuer not co-operating*

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

SMERA has reviewed the short-term rating of '**SMERA A3**' (read as **SMERA A three**) on the Rs.39.00 crore bank facilities of Knitcraft Apparels International Private Limited (KA IPL). This is an indicative rating.

Non-cooperation by the issuer/borrower: SMERA has been requesting for data, information and undertakings from the rated entity for conducting surveillance and review of the rating. However, the issuer/borrower failed to submit required documents before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

- Default Recognition: <https://www.smera.in/criteria-default.htm>
- Manufacturing entities: <https://www.smera.in/criteria-manufacturing.htm>

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). SMERA endeavoured to gather information about the entity/industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information on which the indicative credit rating is based.

About the rated entity: KA IPL was incorporated in 2007 to take over the existing business of Knitcraft Apparels International, a partnership firm established in 1985. The company is engaged in the production of readymade garments at its four manufacturing units (three in Gurgaon and one in Delhi). There are also plans to set up yet another plant in Palwal (Haryana). The total installed manufacturing capacity stands at around four million pieces per annum. The company has integrated operations with in-house knitting and dyeing facilities. The overall operations are managed by Mr. Krishan Kumar Khurana, Mr. Sanjay Khurana, and Mr. Sandeep Khurana.

For FY2015-16 (provisional), KA IPL reported profit after tax (PAT) of Rs.3.13 crore on operating income of Rs.176 crore, as compared with profit after tax (PAT) of Rs.2.36 crore on operating income of Rs.154.75 crore in FY2014-15.

Rating history for the last three years:

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
12-Sept-2016	FDBP/FUDBP [^]	Short Term	35.00 ^{^^}	SMERA A3 (Suspension Revoked, Rating Assigned)
	FDBP/FUDBP [^] (Proposed)	Short Term	4.00	SMERA A3 (Assigned)
17-May-2016	FDBP/FUDBP	Short Term	35.00 ^{^^}	SMERA A3 (Suspended)
04-Mar-2015	FDBP/FUDBP	Short Term	35.00 ^{^^}	SMERA A3 (Upgraded)
18-Feb-2014	Packing Credit	Short Term	14.00	SMERA A4+ (Assigned)
18-Feb-2014	FDBP/FUDBP	Short Term	6.00	SMERA A4+ (Assigned)
	Bank Guarantee	Short Term	0.50	SMERA A4+ (Assigned)
	Forward Contract Exposure	Short Term	0.80	SMERA A4+ (Assigned)
	Short Term Limit	Short Term	1.38	SMERA A4+ (Assigned)

[^] Foreign Discount Bill Purchase/Foreign Usance Discount Bill Purchase

^{^^} includes packing credit as a sublimit to the extent of Rs.25.00 crore, FDB/E (O/NPBL) Rs.15.00 crore, FDB/E (Disc. Doc) Rs.7.00 crore and Direct dispatch of documents to buyers Rs.3.00 crore.

Annexure –Details of instruments rated:

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
FDBP/FUDBP [^]	NA	NA	NA	35.00 ^{^^}	SMERA A3 Issuer not co-operating*
FDBP/FUDBP [^] (Proposed)	NA	NA	NA	4.00	SMERA A3 Issuer not co-operating*

**The issuer did not co-operate; based on best available information.*

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ABOUT SMERA

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