

## Press Release

### Knitcraft Apparels International Private Limited

April 27, 2019

### Rating Update



<b>Total Bank Facilities Rated*</b>	Rs. 39.00 Cr. #
<b>Long Term Rating</b>	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-)
<b>Short Term Rating</b>	ACUITE A4+ Issuer not co-operating* (Downgraded from ACUITE A3)

# Refer Annexure for details

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

Acuite has reviewed the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**) to the Rs. 39.00 crore bank facilities of Knitcraft Apparels International Private Limited. This rating is now an indicative rating and is based on best available information.

KAIPL 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 manufacture of readymade garments at its four manufacturing units (three at Gurgaon and one at Delhi). The company has also set-up a fifth plant at Palwal, Haryana. The total installed manufacturing capacity stands at ~4 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, Mr. Sandeep Khurana among others. The company generates around 94 percent revenue from export of its goods to USA and United Kingdom and the remaining six percent from the domestic market.

#### 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 due date.

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

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.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). Acuite endeavoured 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

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	139.18	149.78	154.75
EBITDA	Rs. Cr.	11.84	13.69	15.05
OPAT	Rs. Cr.	1.75	1.99	2.36
EBITDA Margin	(%)	8.51	9.14	9.72
PAT Margin	(%)	1.26	1.33	1.53
ROCE (%)	(%)	9.39	11.19	14.98

Total Debt/Tangible Net Worth	Times	0.85	1.44	0.93
PBDIT/Interest	Times	2.11	2.09	2.10
Total Debt/PBDIT	Times	2.98	4.31	2.32
Gross Current Assets (Days)	Days	214	217	147

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

Not applicable

#### Any other information

ACUITE is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

#### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
09-Mar-2018	FDBP/FUDBP	Short Term	35.00^^	ACUITE A3 (Reaffirmed)
	Proposed Fund based	Long Term	4.00	ACUITE BBB-/Negative (Assigned)
15-Nov-2017	FDBP/FUDBP	Short Term	35.00^^	ACUITE A3 (Issuer not cooperating)*
	FDBP/FUDBP (Proposed)	Short Term	4.00	ACUITE A3 (Issuer not cooperating)*
12-Sept-2016	FDBP/FUDBP	Short Term	35.00^^	ACUITE A3 (Suspension Revoked, Rating Assigned)
	FDBP/FUDBP (Proposed)	Short Term	4.00	ACUITE A3 (Suspension Revoked, Rating Assigned)
17 May, 2016	FDBP/FUDBP	Short Term	35.00^^	ACUITE A3 (Suspended)
04 Mar, 2015	FDBP/FUDBP	Short Term	35.00^^	ACUITE A3 (Upgraded from ACUITE A4+)
18 Feb, 2014	Packing Credit	Short Term	14.00^	ACUITE A4+ (Assigned)
	FDBP/FUDBP	Short Term	6.00^	ACUITE A4+ (Assigned)
	Bank Guarantee	Short Term	0.50	ACUITE A4+ (Assigned)
	Forward Contract Exposure	Short Term	0.80	ACUITE A4+ (Assigned)
	Non Fund based	Short Term	1.38	ACUITE A4+ (Assigned)

^^ Enhanced from Rs.22.68 crore; includes Packing Credit as a sublimit to the extent of Rs.25.00 crore, FDB/E (O/NPBL) as a sublimit to the extent of Rs.15.00 crore and FDB/E (Discount document) as a sublimit to the extent of Rs.7.00 crore.

^Packing credit and bill discounting facility are interchangeable

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

## #Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
FDBP/FUDBP	Not Applicable	Not Applicable	Not Applicable	35.00^^	ACUITE A4+ Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE BB+ Issuer not co-operating*

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

^^ Enhanced from Rs.22.68 crore; includes Packing Credit as a sublimit to the extent of Rs.25.00 crore, FDB/E (O/NPBL) as a sublimit to the extent of Rs.15.00 crore and FDB/E (Discount document) as a sublimit to the extent of Rs.7.00 crore.

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## About Acuité Ratings & Research:

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