

Press Release

Knitcraft Apparels International Private Limited

July 23, 2020

Rating Update



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

*Refer Annexure for details

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

Acuité has downgraded the long term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 39.00 crore bank facilities of Knitcraft Apparels International Private Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

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 manufacture of readymade garments at its four manufacturing units (three at Gurgaon and one at Delhi). The company also has 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 the export of its goods to the USA and the United Kingdom and the remaining six percent from the domestic market.

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.

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

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Financial Ratios & Adjustments - <https://www.acuite.in/view-rating-criteria-53.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). Acuité endeavoured 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.

About the Rated Entity - Key Financials

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

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

None

Any other information

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

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
27-April-19	FDBP/FUDBP	Short Term	35.00^^	ACUITE A4+ Issuer not co-operating* (Downgraded from ACUITE A3)
	Proposed Fund based	Long Term	4.00	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-)
09-Mar-18	FDBP/FUDBP	Short Term	35.00^^	ACUITE A3 (Reaffirmed)
	Proposed Fund based	Long Term	4.00	ACUITE BBB- /Negative (Assigned)
15-Nov-17	FDBP/FUDBP	Short term	35.00^^	ACUITE A3 (Issuer not cooperating)*
	FDBP/FUDBP (Proposed)	Short term	4.00	ACUITE A3 (Issuer not cooperating)*

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
FDBP/FUDBP	Not Applicable	Not Applicable	Not Applicable	35.00^^	ACUITE A4+ Issuer not co-operating *
Proposed Fund based	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*

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

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About Acuite Ratings & Research:

Acuite Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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