

Press Release

Knitcraft Apparels International Private Limited

October 22, 2021



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 minus**) from '**ACUITE BB**' (**read as ACUITE double B**) and reviewed the 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 (KAIPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

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 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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating continues to be 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>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-59.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 endeavored 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.

Liquidity Indicators

"No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

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
23rd Jul 20	FDBP/FUDBP	Short Term	35.00	ACUITE A4+ Issuer not co-operating*
	Proposed Bank Facility	Long Term	4.00	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating *
27th Apr 19	FDBP/FUDBP	Short Term	35.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
	Proposed Bank Facility	Long Term	4.00	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
9th Mar 18	FDBP/FUDBP	Short Term	35.00	ACUITE A3 (Reaffirmed)
	Proposed Bank Facility	Long Term	4.00	ACUITE BBB- /Negative (Assigned)

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

#Annexure – Details of instruments rated

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

Contacts

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About Acuité Ratings & Research:

Acuité 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 8,850 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 Kanjurmarg, Mumbai.

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