

Press Release

Knitcraft Apparels International Private Limited

January 24, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.00	ACUITE D Downgraded Issuer not co-operating*	-
Bank Loan Ratings	35.00	-	ACUITE D Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	39.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has downgraded its long term rating to '**ACUITE D (read as ACUITE D)**' from '**ACUITE BB- (read as ACUITE Double B minus)**' and the short term rating to '**ACUITE D (read as ACUITE D)**' from '**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 "Issue Not-Cooperating".

The downgrade is on the basis of publicly available information that the company has delayed in servicing of its debt obligation.

About the Company

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 due date.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

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.

About the Rated Entity - Key Financials

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

Rating Sensitivity

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Status of non-cooperation with previous CRA

None

Any other information

CARE Ratings vide its press release dated January 18, 2022 had downgraded the rating of Knitcraft Apparels International Private Limited as 'CARE D'.

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

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
22 Oct 2021	Proposed Bank Facility	Long Term	4.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Bills Discounting	Short Term	35.00	ACUITE A4+ (Issuer not co-operating*)
23 Jul 2020	Bills Discounting	Short Term	35.00	ACUITE A4+ (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	4.00	ACUITE BB (Downgraded and Issuer not co-operating*)
27 Apr 2019	Bills Discounting	Short Term	35.00	ACUITE A4+ (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	4.00	ACUITE BB+ (Issuer not co-operating*)
09 Mar 2018	Post Shipment Credit	Short Term	35.00	ACUITE A3 (Reaffirmed)
	Proposed Long Term Loan	Long Term	4.00	ACUITE BBB- Negative (Assigned)
15 Nov 2017	Post Shipment Credit	Short Term	35.00	ACUITE A3 (Issuer not co-operating*)
	Proposed Post Shipment Credit	Short Term	4.00	ACUITE A3 (Issuer not co-operating*)

12 Sep 2016	Post Shipment Credit	Short Term	35.00	ACUITE A3 (Assigned)
	Proposed Post Shipment Credit	Short Term	4.00	ACUITE A3 (Assigned)
17 May 2016	Post Shipment Credit	Short Term	35.00	ACUITE A3 (Suspended)
04 Mar 2015	Post Shipment Credit	Short Term	35.00	ACUITE A3 (Upgraded from ACUITE A4+)
18 Feb 2014	Post Shipment Credit	Short Term	6.00	ACUITE A4+ (Assigned)
	Bank Guarantee	Short Term	0.50	ACUITE A4+ (Assigned)
	Derivative Exposure	Short Term	0.80	ACUITE A4+ (Assigned)
	Cash Credit	Short Term	1.38	ACUITE A4+ (Assigned)
	Packing Credit	Short Term	14.00	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	35.00	ACUITE D Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE D Downgraded Issuer not co-operating*

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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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