

Press Release

KNITCRAFT APPARELS INTERNATIONAL PRIVATE LIMITED
July 17, 2024



Rating Reaffirmed and Issuer not co-operating

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

Rating Rationale

Acuite has reaffirmed its long term rating of 'ACUITE D' (read as ACUITE D) and the short term rating of 'ACUITE D' (read as ACUITE D) on the Rs.39.00 crore bank facilities of Knitcraft Apparels International Private Limited (KA IPL). The rating continues to be flagged as "Issue Not-Cooperating" and is based on the best available information.

About the Company

Delhi based, Knitcraft Apparels International Private Limited was incorporated in the year 2007. 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 present directors of the company are Mr. Sanchit Khurana, Mr. Sanjay Khurana and Mr. Sandeep Khurana. 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.

Unsupported Rating

Not Applicable

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 the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite'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). Acuite 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 ratings is based.

Rating Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	17.51	58.72
PAT	Rs. Cr.	(4.75)	0.01
PAT Margin	(%)	(27.15)	0.01
Total Debt/Tangible Net Worth	Times	2.10	2.10
PBDIT/Interest	Times	0.04	1.65

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
24 Apr 2023	Bills Discounting	Short Term	35.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	4.00	ACUITE D (Reaffirmed & Issuer not co-operating*)
24 Jan 2022	Bills Discounting	Short Term	35.00	ACUITE D (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Proposed Long Term Bank Facility	Long Term	4.00	ACUITE D (Downgraded & Issuer not co-operating* from ACUITE BB-)
22 Oct 2021	Bills Discounting	Short Term	35.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	4.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)

Annexure - Details of instruments rated

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

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in Sahil Sawant Associate Analyst-Rating Operations Tel: 022-49294065 sahil.sawant@acuite.in	Varsha Bist Associate Vice President-Rating Administration Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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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