

Press Release

Fashion Knits

07 May, 2018



Rating Updated

Total Bank Facilities Rated	Rs. 37.53 crore #
Long Term Rating	SMERA BB Issuer not co-operating*
Short Term Rating	SMERA A4+ Issuer not co-operating*

Refer Annexure for details

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

SMERA has reviewed long term rating of '**SMERA BB** (read as SMERA double B) on the Rs.1.64 crore bank facilities and short term rating of '**SMERA A4+** (read as SMERA A four plus) on the Rs.35.89 crore bank facilities of Fashion Knits (FS). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower:

SMERA 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 SMERA's policies.

Applicable Criteria

- Default Recognition-<https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>
- Consolidation Of Companies - <https://www.smera.in/criteria-consolidation.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). SMERA endeavoured to gather information about the entity/industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the rated entity

FS, established in 1991, is a Tamil Nadu based partnership concern engaged in manufacturing of knitted garments. The firm's operation includes purchasing yarn and converting it into grey cloth and dyeing fabrics. It out sources the work for dyeing to its group company R R Dyeing.

The R R Group is a Tamil Nadu based group engaged in dyeing, printing of grey cloth and manufacturing of knitted garments. The group comprises three firms viz. R R Dyeing (RRD), R R Knitting & Sons (RRKS) and Fashion Knits (FK). The group exports majorly to Europe.

On consolidated basis, R R Group reported profit after tax (PAT) of Rs.2.55 crore on operating income of Rs.126.86 crore as on March 31, 2016 as compared to PAT of Rs.1.63 crore on operating income of Rs.112.97 crore in the previous year. The net worth stood at Rs.35.17 crore as on March 31, 2016 against Rs.31.66 crore a year earlier.

Any other information:

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

Rating history (last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
27 Feb, 2017	Term Loan	Long Term	1.64	SMERA BB/Stable (Reaffirmed)
	Packing Credit	Short Term	28.00	SMERA A4+ (Reaffirmed)
	Bill Discounting	Short Term	6.00	SMERA A4+ (Reaffirmed)
	Letter of Credit	Short Term	1.89	SMERA A4+ (Reaffirmed)
31 Jul, 2015	Term Loan	Long Term	1.64	SMERA BB/Stable (Assigned)
	Packing Credit	Short Term	28.00	SMERA A4+ (Assigned)
	Bill Discounting	Short Term	6.00	SMERA A4+ (Assigned)
	Letter of Credit	Short Term	1.89	SMERA A4+ (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Term Loan	Not Applicable	Not Applicable	Not Applicable	1.64	SMERA BB Issuer not co-operating*
Packing Credit	Not Applicable	Not Applicable	Not Applicable	28.00	SMERA A4+ Issuer not co-operating*
Bill Discounting	Not Applicable	Not Applicable	Not Applicable	6.00	SMERA A4+ Issuer not co-operating*

Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.89	SMERA A4+ Issuer not co-operating*
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*The issuer did not co-operate; based on best available information.

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ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, D&B and leading public and private sector banks in India. SMERA is registered with SEBI, accredited by RBI as an External Credit Assessment Institution (ECAI), under BASEL-II norms for undertaking Bank Loan Ratings. SMERA Bond Ratings is a division of SMERA Ratings Limited responsible for ratings of bank facilities and capital market/money market debt instruments such as Bonds, Debentures, Commercial Papers, Fixed Deposits, Certificate of Deposits, etc. For more details, please visit www.smera.in.

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