

Press Release

Fashion Knits

January 19, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1.64	ACUITE B+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	35.89	-	ACUITE A4 Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	37.53	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE B+**' (read as **ACUITE single B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) and the short term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 37.53 crore bank facilities of Fashion Knits(FK). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

FK, established in 1991, promoted by Ramu Raju and Balasubramaniam Shanmugasundaram is a Tamil Nadu-based partnership concern engaged in manufacturing of knitted garments. The firm's operation includes purchasing yarn and converting it into the grey cloth and dyeing fabrics. It outsources the work for dyeing to its group company R R Dyeing.

About the Group

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 majority to Europe.

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 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

Acuite 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>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
27 Oct 2020	Term Loan	Long Term	1.64	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	1.89	ACUITE A4+ (Issuer not co-operating*)
	Packing Credit	Short Term	28.00	ACUITE A4+ (Issuer not co-operating*)
	Bills Discounting	Short Term	6.00	ACUITE A4+ (Issuer not co-operating*)
02 Aug 2019	Bills Discounting	Short Term	6.00	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	1.89	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	1.64	ACUITE BB (Issuer not co-operating*)
	Packing Credit	Short Term	28.00	ACUITE A4+ (Issuer not co-operating*)
07 May 2018	Term Loan	Long Term	1.64	ACUITE BB (Issuer not co-operating*)
	Packing Credit	Short Term	28.00	ACUITE A4+ (Issuer not co-operating*)
	Bills Discounting	Short Term	6.00	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	1.89	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	1.64	ACUITE BB Stable (Reaffirmed)

27 Feb 2017	Bills Discounting	Short Term	6.00	ACUITE A4+ (Reaffirmed)
	Packing Credit	Short Term	28.00	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	1.89	ACUITE A4+ (Reaffirmed)
31 Jul 2015	Term Loan	Long Term	1.64	ACUITE BB Stable (Assigned)
	Packing Credit	Short Term	28.00	ACUITE A4+ (Assigned)
	Bills Discounting	Short Term	6.00	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	1.89	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	6.00	ACUITE A4 Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.89	ACUITE A4 Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	28.00	ACUITE A4 Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	1.64	ACUITE B+ 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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