

Press Release
Cliff India Corporation
February 26, 2024



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	5.00	ACUITE D Downgraded Issuer not co-operating*	-
Bank Loan Ratings	5.00	-	ACUITE D Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	10.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE B**' (read as **ACUITE B**) and also downgraded the short term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 10.00 crore bank facilities of Cliff India Corporation. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

The downgrade is on the basis of ongoing delays in their repayments and other publicly available information.

About the Company

Cliff India Corporation (CIC), established in 2014 by Mr. F.N Durai (Proprietor), commenced its commercial operations in January 2016 in manufacturing and exporting of garments (T-shirts, innerwear, sportswear). The Tirupur-based entity has an installed capacity of 5000 pieces per day and exports its products to USA-based firms, Silly Souls LLC and Signature Apparels. The firm procures yarn and fabrics from Indus Clothing Corporation, a group firm, as well as from local players.

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 endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite 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 16 (Actual)	FY 15 (Actual)
Operating Income	Rs. Cr.	7.53	0.00
PAT	Rs. Cr.	0.16	0.00
PAT Margin	(%)	2.18	0.00
Total Debt/Tangible Net Worth	Times	4.47	0.00
PBDIT/Interest	Times	2.70	0.00

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
11 May 2023	Term Loan	Long Term	0.25	ACUITE B Not Applicable (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	4.75	ACUITE B Not Applicable (Reaffirmed & Issuer not co-operating*)
	PC/PCFC	Short Term	5.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
10 Feb 2022	PC/PCFC	Short Term	5.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.25	ACUITE B Not Applicable (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	4.75	ACUITE B Not Applicable (Reaffirmed & Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	4.75	ACUITE D Downgraded Issuer not co-operating* (from ACUITE B)
Punjab National Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.00	ACUITE D Downgraded Issuer not co-operating* (from ACUITE A4)
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.25	ACUITE D Downgraded Issuer not co-operating* (from ACUITE B)

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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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