

Press Release

Classic Knits India Private Limited

July 20, 2020



Rating Update

Total Bank Facilities Rated*	Rs. 67.00 Cr. #
Long Term Rating	ACUITE B (Downgraded from ACUITE BB-) Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

Refer Annexure for details`

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

Acuité has reviewed and downgraded the long term rating to '**ACUITE B**' (**read as ACUITE B**) from **ACUITE BB-**' (**read as ACUITE double B minus**) and reviewed the short term rating of '**ACUITE A4**'(**read as ACUITE A four**) on the Rs.67.00 crore bank facilities of Classic Knits India Private Limited(CKIPL). The downgrade is on account of information risk. This rating is now an indicative rating and is based on the best available information.

CKIPL, incorporated in 2010, is engaged in manufacturing and exporting of fashion undergarments, high fashion t-shirts, polo shirts, sweatshirts, and loungewear for men and women. It was founded by Mr. R. Shanmugam and is currently under the directorship of Mrs. Parvatha Varthini (Founder's wife) and Mr. S. Goutham (Founder's son). The company currently has an installed capacity of 1.62 crore pieces of garments per annum, of which 70-75 percent is utilised. The manufacturing facilities are located in Tirupur and Vagarai (Tamil Nadu).

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of CKIPL arrive at this rating.

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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an 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 Acuité's policies.

Applicable Criteria

- Default Recognition-<https://www.acuite.in/view-rating-criteria-52.htm>
- Financial Ratios and Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>
- Manufacturing entities - <https://www.acuite.in/view-rating-criteria-59.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). Acuité endeavoured 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 attempts.

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

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

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
13-May-2019	PC/PCFC	Short Term	8.00	ACUITE A4 (Reaffirmed)
	Cash Credit	Long Term	34.00	ACUITE BB-/Stable (Reaffirmed)
	Term Loan	Long Term	6.60	ACUITE BB-/Stable (Reaffirmed)
	Bills Discounting	Short Term	10.00	ACUITE A4 (Assigned)
	Proposed Long Term Loan	Long Term	8.40	ACUITE BB-/Stable (Reaffirmed)
10-Feb-2018	Packing Credit	Short Term	8.00	ACUITE A4 (Assigned)
	Packing Credit	Long Term	34.00	ACUITE BB-/Stable (Assigned)
	Corporate loan	Long Term	9.61	ACUITE BB-/Stable (Assigned)
	Proposed bank facility	Short Term	15.39	ACUITE A4 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
PC/PCFC	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE A4 Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	34.00	ACUITE B (Downgraded from ACUITE BB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	6.60	ACUITE B (Downgraded from ACUITE BB-) Issuer not co-operating*
FBN/FBP/FBD/PSFC/FBE	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4 Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	8.40	ACUITE B (Downgraded from ACUITE BB-) Issuer not co-operating*

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

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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 6,000 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 Mumbai.

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