

## Press Release

Classic Knits India Private Limited

July 23, 2024

Rating Reaffirmed and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	49.00	ACUITE D   Reaffirmed   Issuer not co-operating*	-
Bank Loan Ratings	18.00	-	ACUITE D   Reaffirmed   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	67.00	-	-

## Rating Rationale

Acuite has reaffirmed the 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. 67.00 crore bank facilities of Classic Knits India Private Limited (CKIPL). The rating continues to be flagged as "Issuer NotCooperating" and is based on the best available information.

## About the Company

Classic Knits India Private Limited (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. The company has its manufacturing unit based in Tamilnadu. 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).

## 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, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating 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.	0.12	0.26
PAT	Rs. Cr.	(0.14)	(1.62)
PAT Margin	(%)	(112.06)	(622.26)
Total Debt/Tangible Net Worth	Times	0.00	(1.42)
PBDIT/Interest	Times	0.00	32.68

### 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](http://www.acuite.in)

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
26 Apr 2023	Cash Credit	Long Term	34.00	ACUITE D (Downgraded & Issuer not co-operating* from ACUITE B)
	PC/PCFC	Short Term	8.00	ACUITE D (Downgraded & Issuer not co-operating* from ACUITE A4)
	Bills Discounting	Short Term	10.00	ACUITE D (Downgraded & Issuer not co-operating* from ACUITE A4)
	Proposed Long Term Loan	Long Term	8.40	ACUITE D (Downgraded & Issuer not co-operating* from ACUITE B)
	Term Loan	Long Term	6.60	ACUITE D (Downgraded & Issuer not co-operating* from ACUITE B)
11 Jan 2023	Cash Credit	Long Term	34.00	ACUITE B (Reaffirmed & Issuer not co-operating*)
	PC/PCFC	Short Term	8.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	8.40	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Bills Discounting	Short Term	10.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	6.60	ACUITE B (Reaffirmed & Issuer not co-operating*)
21 Oct 2021	Proposed Long Term Loan	Long Term	8.40	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	6.60	ACUITE B (Reaffirmed & Issuer not co-operating*)
	PC/PCFC	Short Term	8.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	34.00	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Bills Discounting	Short Term	10.00	ACUITE A4 (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
Canara Bank	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE D   Reaffirmed   Issuer not co-operating*
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	34.00	ACUITE D   Reaffirmed   Issuer not co-operating*
IDBI Bank Ltd.	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	8.00	ACUITE D   Reaffirmed   Issuer not co-operating*
Not Applicable	Not avl. / Not appl.	Proposed Long Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	8.40	ACUITE D   Reaffirmed   Issuer not co-operating*
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	6.60	ACUITE D   Reaffirmed   Issuer not co-operating*

## Contacts

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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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