

Press Release

Flower Knitting Mills

August 16, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 31.50 Cr. #
Long Term Rating	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.

Acuite has reviewed long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 31.50 crore bank facilities of FLOWER KNITTING MILLS. This rating is now an indicative rating and is based on best available information.

Flower Knitting Mills was set up in 1988 by Mr. S. Subramani. The entity manufactures and exports nightwear, T-shirts, shorts, and undergarments for men, women, and kids. The firm exports its products to regions such as the EU and the UAE. The entity's manufacturing unit is located in Tirupur (Tamil Nadu) with installed capacity to manufacture four lakh pieces per month. The unit is equipped with 350 sewing machines.

About the Group

Incorporated in 1999 by Mr. S. Subramani, Divya Spinning Mills Private Limited (DSPL) manufactures cotton yarn and hosiery cloth. The company manufactures cotton yarn to the counts ranging from 20s to 40s and has ~36,000 spindles. The company also manufactures clothes from 12 inch dia to 36 inch dia (interlock and single jersey) and has 120 knitting machines. The company's facilities are in Tirupur (Tamil Nadu). It has a 5.8 mega-watt (MW) captive wind mill unit located in and around Tirupur for captive consumption. There are few other smaller entities being managed by the promoter group such as Divya Hosieries, Flower Garments. The entities are into the textile value chain besides the flagship entities of DSPL and Flower Knitting Mills, collectively referred to as Flower Group.

Analytical Approach:

Acuite has consolidated business and financial risk profiles of Divya Spinning Mills Private Limited and Flower Knitting Mills (hereinafter referred to as the Flower group). This is because both the entities have a common management, similar line of business and have significant financial and operational linkages.

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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Consolidation of Companies - <https://www.acuite.in/view-rating-criteria-22.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). 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 rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

Not Applicable

Any other information

Acuite 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. Cr.)	Ratings/Outlook
25-Jun-2018	PC/PCFC	Long Term	18.00	ACUITE BB / Stable (Assigned)
	Bill Discounting	Short Term	4.00	ACUITE A4+ (Assigned)
	Proposed Packing Credit	Long Term	0.50	ACUITE BB / Stable (Assigned)
	Letter of Credit	Short Term	9.00	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	18.00	ACUITE BB Issuer not co-operating*
Bill Discounting	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A4+ Issuer not co-operating*
Proposed Packing Credit	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE BB Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	9.00	ACUITE A4+ Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings 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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