

Press Release

Top Gear Fashions

November 25, 2022



Rating Reaffirmed & Withdrawn and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---------------------------------------|---------------------|------------------------------------------------------------------|----------------------|
| Bank Loan Ratings | 8.00 | ACUITE B+ Reaffirmed & Withdrawn Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 0.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 8.00 | - | - |

Rating Rationale

Acuite has reaffirmed and withdrawn the long term rating of '**ACUITE B+ (read as ACUITE B 'Plus')**' on the Rs. 8 crore bank facilities of Top Gear Fashions. The team has received the withdrawal request from the client because the client does not want to continue the further rating. A No Objection Certificate (NOC) for the same has been received from Small Industries Development Bank of India. The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating. The rating continues to be flagged as "Issuer Not Cooperating".

About the Company

Ludhiana based, Top Gear Fashions was established in 2016 and is engaged in the business of manufacturing of knitted fabrics. Firm is being promoted by Mr. Dharamvir Jain, Mr. Mohinder kumar Jain, Mr. Ashok Kumar Jain, Mr. Anup Jain, Mr. Archit Jain, Mrs. Rama Jain, Mrs. Seema Jain and Mrs. Chandni Jain.

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 non-cooperation 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.

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

Other Factors affecting Rating

Not Applicable.

Status of non-cooperation with previous CRA

None.

Any other information

Acuite has not received the latest No Default Statement despite repeated requests and followups

Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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 |
|-------------|--------------------------------|-----------|-----------------|------------------------------------------------------|
| 24 May 2022 | Proposed Term Loan | Long Term | 0.90 | ACUITE B+ (Downgraded and Issuer not co-operating*) |
| | Proposed Long Term Loan | Long Term | 2.15 | ACUITE B+ (Downgraded and Issuer not co-operating*) |
| | Term Loan | Long Term | 4.95 | ACUITE B+ (Downgraded and Issuer not co-operating*) |
| 18 Feb 2021 | Term Loan | Long Term | 4.95 | ACUITE BB- (Downgraded and Issuer not co-operating*) |
| | Proposed Term Loan | Long Term | 0.90 | ACUITE BB- (Downgraded and Issuer not co-operating*) |
| | Proposed Long Term Loan | Long Term | 2.15 | ACUITE BB- (Downgraded and Issuer not co-operating*) |
| 13 Dec 2019 | Proposed Long Term Loan | Long Term | 2.15 | ACUITE BB (Issuer not co-operating*) |
| | Proposed Term Loan | Long Term | 0.90 | ACUITE BB (Issuer not co-operating*) |
| | Term Loan | Long Term | 4.95 | ACUITE BB (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 |
|--------------------------------------------|----------------|-------------------------|------------------|----------------|----------------|------------------|-------------------|---------------------------------------------------------------------------|
| Not Applicable | Not Applicable | Proposed Long Term Loan | Not Applicable | Not Applicable | Not Applicable | Simple | 2.15 | ACUITE B+ Reaffirmed & Withdrawn Issuer not co-operating* |
| Not Applicable | Not Applicable | Proposed Term Loan | Not Applicable | Not Applicable | Not Applicable | Simple | 0.90 | ACUITE B+ Reaffirmed & Withdrawn Issuer not co-operating* |
| Small Industries Development Bank of India | Not Applicable | Term Loan | Not available | Not available | Not available | Simple | 4.95 | ACUITE B+ Reaffirmed & Withdrawn Issuer not co-operating* |

Contacts

| Analytical | Rating Desk |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
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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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