

Press Release

Royal Classic Mills Private Limited

June 21, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	142.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Bank Loan Ratings	51.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	193.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as ACUITE double B plus) from 'ACUITE BBB+' (read as ACUITE triple B plus) and short-term rating to '**ACUITE A4+**' (read as ACUITE A four plus) from 'A2' (read as ACUITE A2) on the Rs.193 Cr bank facilities of Royal Classic Mills Private Limited (RCMPL). The rating is flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Incorporated in 1991, RCMPL is a Tamil Nadu-based company promoted by first-generation entrepreneurs, Mr. R Gopalakrishnan (Chairman) and Mr. Sivaram (ED). The company is engaged in manufacturing of ready-made garments such as men's shirts and trousers, men's innerwear, boy's shirts, children's wear and fashion wear for both the export market and domestic market. The company owns the flagship brand - Classic Polo since 2001, which has become one of the most popular and dynamic mid-premium brands in India.

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 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, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Material Covenants

Not Applicable

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials:

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

Status of non-cooperation with previous CRA

None

Any other information

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

Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
	Term Loan	Long Term	3.00	ACUITE BBB+ (Withdrawn)
	Packing Credit	Short Term	50.75	ACUITE A2 (Withdrawn)
	Term Loan	Long Term	2.60	ACUITE BBB+ Stable (Reaffirmed)
	Working Capital Demand Loan	Long Term	25.00	ACUITE BBB+ (Withdrawn)
	Term Loan	Long Term	0.01	ACUITE BBB+ Stable (Reaffirmed)

11 Sep 2020	Term Loan	Long Term	11.00	ACUITE BBB+ Stable (Reaffirmed)
	Term Loan	Long Term	11.00	ACUITE BBB+ Stable (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A2 (Reaffirmed)
	Proposed Bank Facility	Long Term	11.39	ACUITE BBB+ Stable (Reaffirmed)
	Packing Credit	Short Term	38.00	ACUITE A2 (Reaffirmed)
	Secured Overdraft	Long Term	5.00	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Reaffirmed)
	Packing Credit	Short Term	65.00	ACUITE A2 (Reaffirmed)
	Packing Credit	Short Term	30.00	ACUITE A2 (Reaffirmed)
	Standby Line of Credit	Short Term	8.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee	Short Term	0.58	ACUITE A2 (Withdrawn)
	31 Aug 2020	Term Loan	Long Term	0.01
Bank Guarantee		Short Term	0.58	ACUITE A2 (Withdrawn)
Packing Credit		Short Term	65.00	ACUITE A2 (Reaffirmed)
Term Loan		Long Term	2.60	ACUITE BBB+ Stable (Reaffirmed)
Term Loan		Long Term	0.51	ACUITE BBB+ (Withdrawn)
Term Loan		Long Term	10.89	ACUITE BBB+ Stable (Reaffirmed)
Letter of Credit		Short Term	1.00	ACUITE A2 (Reaffirmed)
Term Loan		Long Term	11.26	ACUITE BBB+ Stable (Reaffirmed)
Secured Overdraft		Long Term	5.00	ACUITE BBB+ Stable (Reaffirmed)
Standby Line of Credit		Short Term	8.00	ACUITE A2 (Reaffirmed)
		Short		
		Packing Credit	Term	38.00
	Packing Credit	Short Term	50.75	ACUITE A2 (Withdrawn)
	Working Capital Demand Loan	Long Term	25.00	ACUITE BBB+ (Withdrawn)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Reaffirmed)
	Packing Credit	Short Term	30.00	ACUITE A2 (Reaffirmed)
	Proposed Bank Facility	Long Term	11.40	ACUITE BBB+ Stable (Reaffirmed)
	Proposed Working Capital Demand Loan	Long Term	25.00	ACUITE BBB+ Stable (Assigned)

01 Apr 2019	Packing Credit	Short Term	65.00	ACUITE A2 (Assigned)
	Standby Line of Credit	Short Term	8.00	ACUITE A2 (Assigned)
	Term Loan	Long Term	12.86	ACUITE BBB+ Stable (Assigned)
	Packing Credit	Short Term	30.00	ACUITE A2 (Assigned)
	Term Loan	Long Term	3.00	ACUITE BBB+ Stable (Assigned)
	Bank Guarantee	Short Term	0.58	ACUITE A2 (Assigned)
	Packing Credit	Short Term	50.75	ACUITE A2 (Assigned)
	Letter of Credit	Short Term	1.00	ACUITE A2 (Assigned)
	Packing Credit	Short Term	38.00	ACUITE A2 (Assigned)
	Term Loan	Long Term	17.27	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	3.10	ACUITE BBB+ Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	5.44	ACUITE BBB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB+ Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4+ Downgraded Issuer not co-operating*
Federal Bank	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE BB+ Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE A4+ Downgraded Issuer not co-operating*
Union Bank of India	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	65.00	ACUITE A4+ Downgraded Issuer not co-operating*
South Indian Bank	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	38.00	ACUITE A4+ Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	11.39	ACUITE BB+ Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Stand By Line of Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE A4+ Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	2.60	ACUITE BB+ Downgraded Issuer not co-

							operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	11.00	ACUITE BB+ Downgraded Issuer not CO- operating*
South Indian Bank	Not Applicable	Term Loan	Not available	Not available	Not available	0.01	ACUITE BB+ Downgraded Issuer not CO- operating*
Punjab National Bank	Not Applicable	Term Loan	Not available	Not available	Not available	11.00	ACUITE BB+ Downgraded Issuer not CO- operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in
Bhavani sankar Oruganti Assistant Manager-Rating Operations Tel: 022-49294065 bhavanisankar.oruganti@acuite.in	

About Acuité Ratings & Research

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