

## Press Release

ROYAL CLASSIC MILLS PRIVATE LIMITED

July 05, 2023

Rating Downgraded and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rat
Bank Loan Ratings	48.40	ACUITE C   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	2.60	ACUITE D   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	142.00	-	ACUITE A4   Downgraded   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	193.00	-	-

## Rating Rationale

Acuite has downgraded the long-term rating to 'ACUITE D' (read as ACUITE D) from 'ACUITE BB+' (read as ACUITE double B plus) for the facilities of Rs.2.60 Cr. and also downgraded the facilities of Rs. 48.40 Cr. to 'ACUITE C' (read as ACUITE C) from 'ACUITE BB+' (read as ACUITE double B plus) and also downgraded the short-term rating to 'ACUITE A4' (read as ACUITE A four) from 'ACUITE A4+' (read as ACUITE A four plus) for the facilities of Rs.142.00 Cr. of Royal Classic Mills Private Limited (RCMPL). The rating is flagged as "Issuer Not-Cooperating" and is based on best available information.

The rating is downgraded on the basis that the team has received feedback from the banker stating that there are delays in ongoing payments from the company.

## 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 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 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 ratings are 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

None

### Status of non-cooperation with previous CRA

None

### 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>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité 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
21 Jun 2022	Secured Overdraft	Long Term	5.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Packing Credit	Short Term	65.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	2.60	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	11.39	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	11.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	11.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Packing Credit	Short Term	38.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Standby Line of Credit	Short Term	8.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Packing Credit	Short Term	30.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.01	ACUITE BB+ (Downgraded and Issuer not co-operating*)
11 Sep 2020	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)
	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)
		Short		

	Standby Line of Credit	Term	8.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee	Short Term	0.58	ACUITE A2 (Withdrawn)
31 Aug 2020	Term Loan	Long Term	0.01	ACUITE BBB+   Stable (Reaffirmed)
	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)
	Packing Credit	Short Term	38.00	ACUITE A2 (Reaffirmed)
	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)

## 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 Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE C   Downgraded   Issuer not co-operating*
Union Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	1.00	ACUITE A4   Downgraded   Issuer not co-operating*
Canara Bank	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	30.00	ACUITE A4   Downgraded   Issuer not co-operating*
Union Bank of India	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	65.00	ACUITE A4   Downgraded   Issuer not co-operating*
South Indian Bank	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	38.00	ACUITE A4   Downgraded   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	11.39	ACUITE C   Downgraded   Issuer not co-operating*
Federal Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE C   Downgraded   Issuer not co-operating*
Canara Bank	Not Applicable	Stand By Line of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	8.00	ACUITE A4   Downgraded   Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	2.60	ACUITE D   Downgraded   Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	11.00	ACUITE C   Downgraded   Issuer not co-operating*
South	Not	Term	Not	Not	Not			ACUITE C   Downgraded

Indian Bank	Applicable	Loan	available	available	available	Simple	0.01	Issuer not co-operating*
Punjab National Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	11.00	ACUITE C   Downgraded   Issuer not co-operating*

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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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