

Press Release

ROYAL CLASSIC MILLS PRIVATE LIMITED

August 21, 2024

Rating Reaffirmed, Withdrawn and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	11.00	ACUITE C Reaffirmed & Withdrawn Issuer not co-operating*	-
Bank Loan Ratings	26.01	ACUITE C Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	2.60	ACUITE D Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	11.39	Not Applicable Withdrawn	-
Bank Loan Ratings	142.00	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	170.61	-	-
Total Withdrawn Quantum (Rs. Cr)	22.39	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating to 'ACUITE D' (read as ACUITE D) for the Rs.2.60 Cr. bank facilities of Royal Classic Mills Private Limited (RCMPL).

Acuite has reaffirmed its long-term rating to 'ACUITE C' (read as ACUITE C) for the Rs.26.01 Cr. bank facilities of Royal Classic Mills Private Limited (RCMPL).

Acuite has reaffirmed its short-term rating to 'ACUITE A4' (read as ACUITE A four) for the Rs.142.00 Cr. bank facilities of Royal Classic Mills Private Limited (RCMPL).

Acuite has reaffirmed and withdrawn its long-term rating to 'ACUITE C' (read as ACUITE C) for the Rs.11.00 Cr. bank facilities of Royal Classic Mills Private Limited (RCMPL). Acuite has also withdrawn its long-term proposed facilities for the facilities of Rs.11.39 Cr. of Royal Classic Mills Private Limited (RCMPL) without assigning any rating as it is a proposed facility. The rating has been withdrawn on Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating has been withdrawn on account of the request received from the company, and the NOC(No Objection Certificate) received from the banker.

The rating continues to be flagged as "Issuer Not-Cooperating" and is based on best available information.

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.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower:

Acuité 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. Acuité 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 Acuité'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). Acuité 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 ratings are 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 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	675.44	553.30
PAT	Rs. Cr.	29.81	28.31
PAT Margin	(%)	4.41	5.12
Total Debt/Tangible Net Worth	Times	0.89	0.69
PBDIT/Interest	Times	9.34	4.91

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

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Jul 2023	Secured Overdraft	Long Term	5.00	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Cash Credit	Long Term	10.00	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Term Loan	Long Term	2.60	ACUITE D (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Term Loan	Long Term	11.00	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Term Loan	Long Term	0.01	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Term Loan	Long Term	11.00	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB+)
	Proposed Long Term Bank Facility	Long Term	11.39	ACUITE C (Downgraded & Issuer not co-operating* from ACUITE BB+)
	PC/PCFC	Short Term	30.00	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	PC/PCFC	Short Term	65.00	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Stand By Line of Credit	Short Term	8.00	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	PC/PCFC	Short Term	38.00	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Letter of Credit	Short Term	1.00	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
21 Jun 2022	Term Loan	Long Term	11.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
	Proposed Long Term Bank Facility	Long Term	11.39	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
	Term Loan	Long Term	0.01	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
	Term Loan	Long Term	11.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
	Term Loan	Long Term	2.60	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
	Cash Credit	Long Term	10.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
	Secured Overdraft	Long Term	5.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB+ Stable)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2)
	PC/PCFC	Short Term	38.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2)
	Stand By Line of Credit	Short Term	8.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2)
	PC/PCFC	Short Term	65.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2)
	PC/PCFC	Short Term	30.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A2)

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.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE C Reaffirmed Issuer not co-operating*
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Canara Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	30.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Union Bank of India	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	65.00	ACUITE A4 Reaffirmed Issuer not co-operating*
South Indian Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	38.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	11.39	Not Applicable Withdrawn
Federal Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.00	ACUITE C Reaffirmed Issuer not co-operating*
Canara Bank	Not avl. / Not appl.	Stand By Line of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	8.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.60	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	11.00	ACUITE C Reaffirmed Issuer not co-operating*
South Indian Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.01	ACUITE C Reaffirmed Issuer not co-operating*
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	11.00	ACUITE C Reaffirmed & Withdrawn 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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