

Press Release

Laguna Clothing LLP

June 27, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	67.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	67.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A1**' (read as **ACUITE A one**) on the Rs.67.00 Cr. bank facilities of Laguna Clothing LLP. This rating is now an indicative rating and is based on best available information.

About the Company

Laguna Clothing LLP (LCLP), a Bangalore based Limited Liability Partnership. LCLP has a presence since 2005 and is known for the manufacturing of premium shirts (both formal and semi-formal). The firm has recently entered into a knitted shirt. The firm was a joint initiative between Gruppo Tessile Monti (Italy) and Aquarelle International Limited (Mauritius). However, Aquarelle International Limited (Mauritius) has acquired a 100 percent share in the firm, due to insolvency of other partners in November 2019. LCLP derives 80 to 85 percent of its revenues from exports to USA, UAE, Denmark, France and other European countries. The manufacturing unit is located in Kanakpura, Karnataka and has an installed capacity of 3.6 million units per annum and is currently operating in a range of 75 to 80 per cent capacity. The directors of the company are Mr. Sarbajit Ghose and Mr. Ramesh Visweswaran.

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 rating is based.

Rating Sensitivities

"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

Key Financials:

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

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
22 Oct 2020	Bank Guarantee	Short Term	1.00	ACUITE A1 (Assigned)
	Packing Credit	Short Term	40.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	11.00	ACUITE A1 (Assigned)
	Packing Credit	Short Term	15.00	ACUITE A1 (Reaffirmed)
23 Sep 2020	Packing Credit	Short Term	35.00	ACUITE A1 (Reaffirmed)
	Packing Credit	Short Term	15.00	ACUITE A1 (Reaffirmed)
05 Jul 2019	Packing Credit	Short Term	35.00	ACUITE A1 (Assigned)
	Packing Credit	Short Term	15.00	ACUITE A1 (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	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4+ Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	11.00	ACUITE A4+ Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	40.00	ACUITE A4+ Downgraded Issuer not co-operating*
HSBC	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE A4+ Downgraded Issuer not co-operating*

Contacts

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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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