



## Press Release

### Universal Knitwears

July 20, 2020

#### Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action
Long term Bank Facilities	8.00	IVR BB/Stable; <b>ISSUER NOT CO-OPERATING</b> (IVR Double B with Stable Outlook; <b>ISSUER NOT CO-OPERATING</b> )	IVR BB+/Stable (IVR Double B Plus with Stable Outlook)	<b>Downgraded and moved to ISSUER NOT CO-OPERATING category</b>
Short term Bank Facilities	10.50	IVR A4 (IVR A Four; <b>ISSUER NOT CO-OPERATING</b> )	IVR A4+ (IVR A Four Plus)	<b>Downgraded and moved to ISSUER NOT CO-OPERATING category</b>
<b>Total</b>	<b>18.50</b>			

\*Issuer did not cooperate; based on best available information

#### Detailed Rationale

The rating revision is because of lack of adequate information regarding Universal Knitwear's performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

Infomerics has been regularly following up with the company to provide the required data including FY19 (A) results to monitor its assigned rating to the bank facilities, vide E-mail communications dated July 09, 2020, June 17, 2020, June 15, 2020, May 04, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long- term and short term ratings for the bank loan facilities of Universal Knitwears aggregating to Rs.18.50 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB/Stable; Issuer Not Co-operating; Based on best available information ((IVR Double B /Stable: Issuer Not Co-operating; Based on best available information) and IVR A4: Issuer Not Co-operating; Based on best available information. Accordingly, the lenders, investors and



## Press Release

other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

### **Analytical Approach & Applicable Criteria**

Standalone

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

### **About the company**

Universal Knitwears was set up as a partnership firm in 1992. The firm is engaged in manufacturing and exports of flatbed knitted products such as sweaters, knitted garments, home furnishings, dish cloths, covers for hot water rubber bottles. Universal Knitwears has three manufacturing facilities located at Kundli, Haryana.

### **Financials (Standalone):**

For the year ended* As on	(Rs. crore)	
	31-03-2017	31-03-2018
	Audited	Audited
Total Operating Income	36.77	51.78
EBITDA	4.93	5.87
PAT	1.56	2.61
Total Debt	13.01	12.35
Tangible Net worth	5.31	7.06
EBITDA Margin (%)	13.41	11.34
PAT Margin (%)	4.21	5.03
Overall Gearing Ratio (x)	2.45	1.75

**Status of non-cooperation with previous CRA: Nil**

**Any other information: Nil**



## Press Release

### Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Term Loan	Long Term	8.00	IVR BB/Stable Outlook <b>ISSUER NOT COOPERATING*</b>	IVR BB+/Stable Outlook (May 10, 2019)	-	-
2.	EPC/ Exports Bill Discounting	Short Term	10.50	IVR A4 <b>ISSUER NOT COOPERATING*</b>	IVR A4+ (May 10, 2019)	-	-

\* Issuer did not cooperate; based on best available information

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

### Name and Contact Details of the Rating Analyst:

Name: Mr. Archit Aggarwal  
Tel: (011) 2465 5636  
Email: [aaggarwal@infomerics.com](mailto:aaggarwal@infomerics.com)

### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.



## Press Release

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Bases Facilities-Term Loan	-	-	-	8.00	IVR BB/Stable Outlook <b>ISSUER NOT COOPERATING*</b>
Short Term Fund Based Facilities-EPC/ EBD	-	-	-	10.50	IVR A4 <b>ISSUER NOT COOPERATING*</b>

\* Issuer did not cooperate; based on best available information