

September 19, 2025

Silver Crest Clothing Private Limited: Update on entity

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Short-term – Fund based limits	163.00	163.00	[ICRA]A1
Long-term – Fund based – Interchangeable limits^	(10.00)	(10.00)	[ICRA]A (Stable)
Short-term – Unallocated limits	10.00	10.00	[ICRA]A1
Total	173.00	173.00	

*Instrument details are provided in Annexure I

^Sublimit of Fund Based Limits

Rationale

Indian exporters have been navigating a turbulent trade environment, with recent tariff hikes by the US threatening to reshape long-standing business dynamics. The latest round of US tariffs, effective August 27, 2025, has added a punitive 25% duty on select Indian goods, pushing the effective tariff burden to 60-70% for some categories, combined with pre-existing levies. This escalation places Indian exporters at a disadvantage compared to competitors in East and Southeast Asia, which face lower tariff rates.

ICRA expects Silvercrest Clothing Private Limited's (SCPL) business to be impacted by the turbulent trade environment, with most of its products falling under the higher tariff categories. SCPL generates 60-65% of its revenues from the US market. The manufacturing facilities of SCPL are located in Bangalore, Karnataka, with a capacity to manufacture around 2.8 million units per annum.

According to the management discussions, SCPL has been actively negotiating with its customers to pass on the increased tariff costs. Besides, implementation of the trade agreement with the UK is likely to increase export volumes to the UK over the medium term, moderating the impact of the US tariff to an extent.

ICRA notes these developments and their potential impact on SCPL's revenue and profitability, as tariff burdens may be difficult to pass on to the downstream stakeholders. If the recently imposed tariffs continue, ICRA expects SCPL's revenues and margins to moderate in H2 FY2026. Nevertheless, the company's established presence with renowned retailers across the US and Europe, its comfortable capital structure, strong liquidity position and healthy coverage metrics provide support to an extent. SCPL's performance remained healthy during April to August 2025 with the entity generating revenues of Rs. 280.0 crore. The liquidity remained comfortable, supported by cash and liquid investments of around Rs. 65 crore and undrawn working capital lines of Rs. 68 crore (standalone) as of March 31, 2025, which continued to support its credit profile and is likely to help the entity withstand any near-term adverse impact of the ongoing situation. Nonetheless, ICRA will continue to monitor developments in this regard and take appropriate rating action, if necessary.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, Liquidity position, Rating sensitivities and key financial indicators: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Textiles - Apparels
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of SCPL. Details of its wholly-owned subsidiary and two associate companies have been provided in Annexure – I

About the company

SCPL was incorporated in 1993 as a garment manufacturing export company and is one of the largest organised manufacturers of formal suits, blazers and trousers in the country. SCPL sells primarily to retailers in the US and European markets, with exports accounting for ~90% of its revenues. Besides, the company has presence in the domestic market with its in-house brand, Theme, which started in 1995. SCPL has a wholly owned subsidiary, Carreman Silvercrest Clothing (India) Private Limited, which undertakes job work for SCPL.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2026)				Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	FY2026		FY2025		FY2024		FY2023	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund based limits	Short term	163.00	Sept 19, 2025	[ICRA]A1	-	-	Mar 25, 2024	[ICRA]A1	Jul 28, 2022	[ICRA]A2+
			Apr 03, 2025	[ICRA]A1	-	-	Sept 18, 2023	[ICRA]A1	-	-
Fund based – Interchangeable limits [^]	Long term	(10.00)	Sept 19, 2025	[ICRA]A (Stable)	-	-	Mar 25, 2024	[ICRA]A (Stable)	Jul 28, 2022	[ICRA]A- (Stable)
			Apr 03, 2025	[ICRA]A (Stable)	-	-	Sept 18, 2023	[ICRA]A (Stable)	-	-
Unallocated limits	Short term	10.00	Sept 19, 2025	[ICRA]A1	-	-	-	-	-	-
			Apr 03, 2025	[ICRA]A1	-	-	-	-	-	-

[^]Sublimit of Fund Based Limits

Complexity level of the rated instruments

Instrument	Complexity indicator
Short-term – Fund based limits	Simple
Long-term – Fund based – Interchangeable limits [^]	Simple
Short-term – Unallocated limits	Not Applicable

[^]Sublimit of Fund Based Limits

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund based limits	NA	NA	NA	163.00	[ICRA]A1
NA	Fund based – Interchangeable limits [^]	NA	NA	NA	(10.00)	[ICRA]A (Stable)
NA	Unallocated limits	NA	NA	NA	10.00	[ICRA]A1

Source: Company; [^]Sublimit of Fund Based Limits

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	LTHL ownership	Consolidation approach
Carreman Silvercrest Clothing (India) Private Limited	100.00%	Full Consolidation
Camden Apparel Solutions Pvt Ltd	50.00%	Equity Method
Munro Silvercrest Private Limited	50.00%	Equity Method

Source: Company

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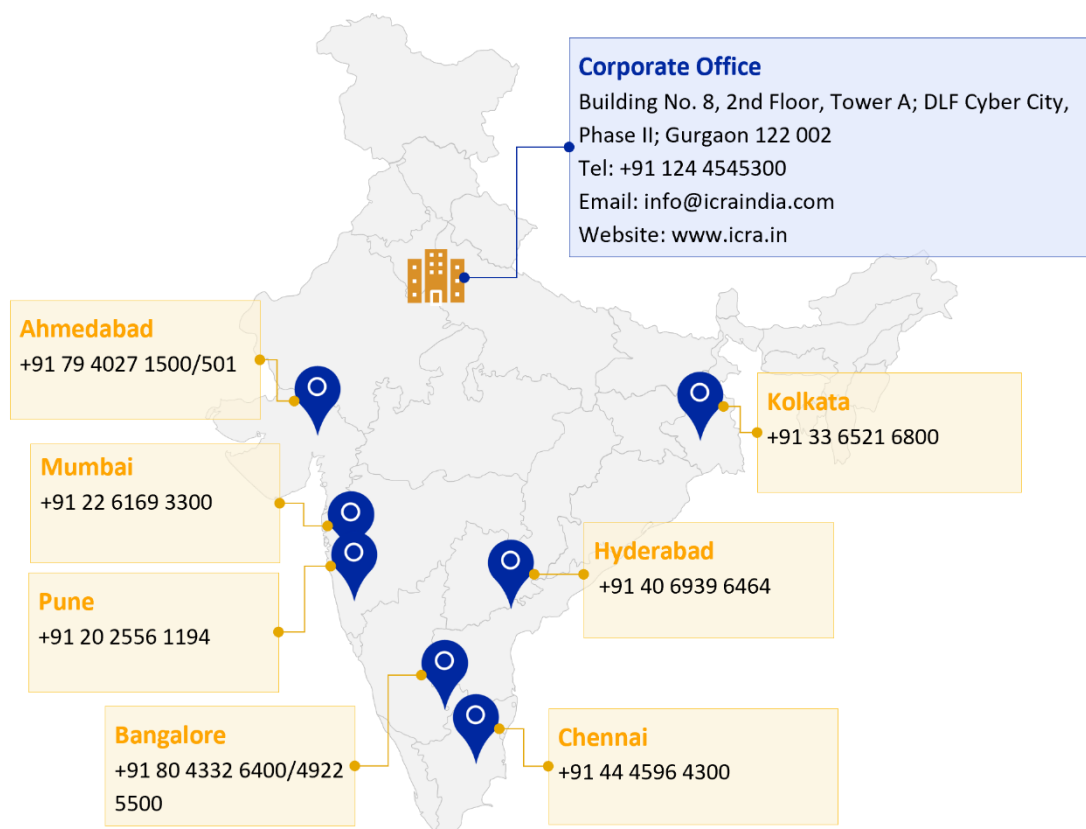
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