

June 20, 2022

Ajay Knitwears and Fabrics Private Limited: Ratings Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	7.00	7.00	[ICRA]B+; Withdrawn
Short Term-Non-Fund Based-Others	1.00	1.00	[ICRA]A4; Withdrawn
Total	8.00	8.00	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Ajay Knitwears and Fabrics Private Limited at the request of the company and based on the No Due Certificate/Closure Certificate received from the banker. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers, Liquidity Position, Rating Sensitivities, Key Financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Ajay Knitwears and Fabrics Private Limited (AKFPL) is a Ludhiana (Punjab) based company engaged in trading and manufacturing of knitted cloth, yarn and garments. The company also does job work for other textile companies located in Ludhiana. Within garments, the company sells T-shirts, shirts, trousers, track suits, sweatshirts, jersey and bottoms. AKFPL sells its garments under own brand name, Auxamis, as well as under third party brands. AKFPL was started by Mr. Jangi Lal Jain in 1999. Mr. Jain was later joined by his three sons, Mr. Vinay Jain, Mr. Vineet Jain and Mr. Ajay Jain. The company has its manufacturing facility located at Village Bajra, Rahon Road, Ludhiana, Punjab. The unit has 20 circular knitting machines and 200-225 stitching machines. It has the installed capacity to manufacture 50,000 pieces on a monthly basis.

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

		Current Rating (FY2023)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Amount Outstanding	Date & Rating in	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
					Jun 20, 2022	-	-	-
1	Fund Based-Cash Credit	Long Term	7.00	-	[ICRA]B+; Withdrawn	-	-	-
2	Non-Fund Based- Others	Short Term	1.00	-	[ICRA]A4; Withdrawn	-	-	-

Note- ICRA has suspended the long-term and short-term ratings of [ICRA]B+/[ICRA]A4 (pronounced ICRA B plus and ICRA A Four) in September 2015.

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Non-Fund Based	Very Simple

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 analyzing 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, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	7.00	[ICRA]B+; Withdrawn
NA	Non-Fund Based	-	-	-	1.00	[ICRA]A4; Withdrawn

Source Ajay Knitwears and Fabrics Private Limited (AKFPL)

Annexure-2: List of entities considered for consolidated analysis – Not applicable

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