

Ref: ICRA/KOL/RA/2016-17/866

March 20, 2017

Mr. B. K. Kesan

General Manager
Acknit Industries Limited
Ecostation, Block- BP, Plot No.- 7,
Sector- V, 5th Floor,
Suit No.- 504, Salt Lake
Kolkata- 700 091

Dear Sir,

Re: ICRA Credit Rating for Rs. 68.05 crore Fund Based and Non-Fund Based Limits from Banks as per Annexure 1

This is with reference to the outstanding long-term rating of [ICRA]BBB- (pronounced ICRA triple B minus) with a Negative outlook and the short-term rating of [ICRA]A3 (pronounced ICRA A three) assigned to the Rs. 55.04 crore bank limits of your company and last communicated vide our letter dated March 6, 2017. Please also refer to the Rating Agreement dated March 14, 2017 seeking rating for an enhanced amount of Rs. 68.05 crore.

Please note that the Rating Committee of ICRA, after due consideration of the latest developments in your company, has assigned a long-term rating of [ICRA]BBB- (pronounced ICRA triple B minus) with a **Negative** outlook and a short-term rating of [ICRA]A3 (pronounced ICRA A three) for an enhanced amount of Rs. 68.05 crore[†].

The aforesaid ratings will be due for surveillance anytime before December 31, 2017.

The rating is specific to the terms and conditions of the LOC as was indicated to us by you and any change in the terms or size of the same would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the LOC rated, as above, the same must be brought to our notice before the utilization of the same. If there is any such change after the rating is assigned by us and confirmed for use by you, it would be subject to our review and may result in change in the rating assigned.

ICRA reserves the right to review and /or, revise the above rating at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

You are requested to furnish a periodic statement (as per enclosed format) of timely payment of all obligations on the above rated debt program [interest and principal obligations for fund based as well as obligations under LOC/BG for non-fund based facility].

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the Programme rated, as above, or any other debt instruments/borrowings. Further you are requested to forthwith inform us of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/debts of the company with any lender(s)/investor(s).

[†] For complete rating definition please refer to ICRA Website www.icra.in or any of the ICRA Rating Publications

Soranalal Biswas

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We thank you for your kind cooperation extended during the course of rating exercise. Please let us know if you need any clarification.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

A handwritten signature in blue ink that reads 'Sujoy Saha'.

Sujoy Saha

Vice President

sujoy.saha@icraindia.com

A handwritten signature in blue ink that reads 'Sovanlal Biswas'.

Sovanlal Biswas

Analyst

sovanlal.biswas@icraindia.com

Encl:



Format of undertaking < to be provided on letter head of company> when the company is regular in servicing all its debt obligations

Statement of servicing of debt obligations for the period [-----] to [-----]

1. The company **has been regular in servicing** all its principal and interest obligations in a timely manner and there has not been any delay or default (a missed or delayed payment in breach of the agreed terms of the issue) during the period mentioned above. We also confirm that there has been no re-schedulement in regard to any of company's debt obligations. We also confirm that there has been no overdrawal of the drawing power sanctioned by the bank for a period of more than 30 consecutive days in case of bank facilities which do not have scheduled maturity/repayment dates.

Authorized Signatory

Name:

Designation:

Date:

Acknit Industries Limited
Details of the bank limits rated by ICRA (Rated on long-term scale)

Bank Limits	Amount	Rating	Assigned On
	<i>(Rs. Crores)</i>		
State Bank of India – Fund Based (Cash Credit)*	34.00	[ICRA]BBB- (Negative)	March 16, 2017
Bank of Baroda – Fund Based (Cash Credit)*	15.00	[ICRA]BBB- (Negative)	March 16, 2017
Bank of Baroda – Fund Based (Term Loan)	3.65	[ICRA]BBB- (Negative)	March 16, 2017
State Bank of India – Fund Based (Term Loan)	4.00	[ICRA]BBB- (Negative)	March 16, 2017
State Bank of India – Non-Fund Based (Bank Guarantee)	0.60	[ICRA]BBB- (Negative)	March 16, 2017
Bank of Baroda – Non-Fund Based (Bank Guarantee)	0.40	[ICRA]BBB- (Negative)	March 16, 2017
Total	57.65		

*100% interchangeable to EPC/PCFC/FBD

Details of the bank limits rated by ICRA (Rated on short-term scale)

Bank Limits	Amount	Rating	Assigned On
	<i>(Rs. Crores)</i>		
State Bank of India – Non-Fund Based (Letter of Credit)	5.50	[ICRA]A3	March 16, 2017
Bank of Baroda – Non-Fund Based (Letter of Credit)	2.00	[ICRA]A3	March 16, 2017
State Bank of India – Forward Contract	2.90	[ICRA]A3	March 16, 2017
Total	10.40		