



## Press Release

### Paragon Apparel Private Limited

December 09, 2024

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	30.42	IVR BB-/ Negative ISSUER NOT COOPERATING* (IVR Double B minus with Negative Outlook Issuer Not Cooperating)	IVR BB/ Stable (IVR Double B with Stable outlook)	Downgraded and moved to Issuer Not Cooperating category; long-term rating outlook revised from 'Stable' to 'Negative'	<a href="#">Simple</a>
Short Term Facilities	16.00	IVR A4 ISSUER NOT COOPERATING* (IVR A Four Issuer Not Cooperating)	IVR A4 (IVR A Four)	Reaffirmed and moved to Issuer Not Cooperating category	<a href="#">Simple</a>
Total	46.42 (INR forty-six crore forty two lakh only)				

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

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

#### Detailed Rationale

Infomerics has downgraded the long-term rating and reaffirmed the short-term rating and moved the ratings assigned to the bank facilities of Paragon Apparel Private Limited's (PAPL) in the ISSUER NOT COOPERATING category because of lack of adequate information for rating review from the company and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its ratings and reviews the same as per its policy. The long-term rating outlook has been changed from 'Stable' to 'Negative' due to information availability risk. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using these ratings as the ratings may not adequately reflect the credit risk profile of the entity.



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### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned ratings to the bank facilities, vide mail communications dated 9<sup>th</sup> Sep 2024, 30<sup>th</sup> Sep 2024, 8<sup>th</sup> Oct 2024, 24<sup>th</sup> Oct 2024, 7<sup>th</sup> Nov 2024, 19<sup>th</sup> Nov 2024, 21<sup>st</sup> Nov 2024, 27<sup>th</sup> Nov 2024, 28<sup>th</sup> Nov 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the surveillance fees all the essential details required for detailed review of the assigned ratings.

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 ratings based on the best available information. Accordingly, the ratings assigned to the bank loan facilities aggregating to INR 46.42 crore of PAPL shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating be noted as 'IVR BB-/ Negative ISSUER NOT COOPERATING' based on best available information (IVR double B minus with Negative Outlook Issuer not cooperating based on best available information) and the short-term rating be noted as 'IVR A4 ISSUER NOT COOPERATING' based on best available information (IVR A four Issuer not cooperating based on best available information).

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Manufacturing Companies](#)

[Criteria of assigning Rating outlook](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Financial Sector/Non- Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

### **About the Company**

Paragon Apparels Private Limited was incorporated in 1995 by Mr. Roshan Baid to engage in garment manufacturing business. Roshan Baid has an experience of more than 30 years in



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manufacturing, trading & export of various garment products, Mr. Tarun Baid and Mr. Sidharth Baid have 22 years of experience in similar lines of businesses. Since inception the company is manufacturing readymade garments specifically sportswear. The Company sells its products directly to reputed brands such as Reliance Retail, Aditya Birla Group, Jack & Jones, Bata, HRX, Vishal Mega Mart and many others.

### Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31.03.2022	31.03.2023
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	242.27	248.91
EBITDA	12.15	13.03
PAT	0.91	1.12
Total Debt	85.43	100.67
Tangible Net Worth	22.89	23.97
EBITDA Margin (%)	5.02	5.23
PAT Margin (%)	0.37	0.45
Overall Gearing Ratio (x)	3.73	4.20
Interest Coverage (x)	1.41	1.41

\* Classification as per Infomerics' standards.

**Status of non-cooperation with previous CRA:** CRISIL Ratings through its press release dated 11<sup>th</sup> Sep 2024 continued the ratings of PAPL in the 'Issuer not Cooperating' category on account of inadequate information received from the company to carry out the review.

**Any other information: Nil**

### Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					(Nov 09, 2023)	-	-
1.	Term Loans	Long Term	10.42	IVR BB-/ Negative ISSUER NOT COOPERATING*	IVR BB/ Stable	-	-
2.	Cash Credit	Long Term	20.00	IVR BB-/ Negative ISSUER NOT COOPERATING*	IVR BB/ Stable	-	-



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		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					(Nov 09, 2023)	-	-
3.	Letter of Credit	Short Term	2.00	IVR A4 ISSUER NOT COOPERATING*	IVR A4	-	-
4.	Pre Shipment Credit	Short Term	14.00	IVR A4 ISSUER NOT COOPERATING*	IVR A4	-	-

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

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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).



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**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 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: Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan 1	-	-	-	Jan 2027	2.22	IVR BB-/ Negative ISSUER NOT COOPERATING*
Term Loan 2	-	-	-	Mar 2026	0.73	IVR BB-/ Negative ISSUER NOT COOPERATING*
Term Loan 3	-	-	-	Jan 2025	1.56	IVR BB-/ Negative ISSUER NOT COOPERATING*
Term Loan 4	-	-	-	May 2025	0.78	IVR BB-/ Negative ISSUER NOT COOPERATING*
Term Loan 5	-	-	-	May 2025	0.66	IVR BB-/ Negative ISSUER NOT COOPERATING*
Term Loan 6	-	-	-	May 2027	3.75	IVR BB-/ Negative ISSUER NOT COOPERATING*
Term Loan 7	-	-	-	Apr 2027	0.72	IVR BB-/ Negative ISSUER NOT COOPERATING*
Cash Credit	-	-	-	-	20.00	IVR BB-/ Negative ISSUER NOT COOPERATING*
Letter of Credit	-	-	-	-	2.00	IVR A4 ISSUER NOT COOPERATING*
Pre-Shipment Credit	-	-	-	-	14.00	IVR A4 ISSUER NOT COOPERATING*

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



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**Annexure 2: Facility wise lender details: Not Applicable**

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable**

**Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable**

**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).

