



## Press Release

### DLF Brands Private Limited

February 09, 2023

#### Ratings

Facilities**	Amount (Rs. crore)	Previous Ratings	Current Ratings#	Rating Action	<a href="#">Complexity Indicator</a>
Bank Facilities - Long Term	20.00	<b>Supported:</b> IVR BB+(CE) (Issuer not Cooperating) (IVR Double B Plus (Credit Enhancement) Issuer Not cooperating)  <b>Unsupported:</b> IVR B-; Issuer Not Co-operating (IVR Single B Minus; ISSUER NOT COOPERATING)	IVR B-; Negative Outlook (ISSUER NOT COOPERATING*) (IVR Single B Minus; Negative Outlook; ISSUER NOT COOPERATING*)	Rating revised; continues to remain under ISSUER NOT COOPERATING category and 'Negative' outlook assigned	Simple
<b>Total</b>	<b>20.00</b>	<b>Rupees Twenty Crore Only</b>			

#### Details of Facilities are in Annexure 1

\* Issuer not cooperating; Based on best available information.

# Rating approach revised to standalone leading to removal of Credit Enhancement (CE), to align with the RBI guidance note on the CE ratings dated April 22, 2022, and FAQ on July 26, 2022.

##Rating was backed by corporate guarantee for Bank debt and interest payment from DLF Limited.

\*\*Unsupported rating does not factor in corporate guarantee given by DLF Limited.

#### Ratings

Infomerics Valuation and Rating Private Limited (IVR) has revised the long-term rating to IVR B- with a Negative outlook which continues to be under 'ISSUER NOT COOPERATING' category due to non-submission of information and lack of management co-operation.

The revision in rating of the entity takes into account latest RBI guidelines on "Credit enhancement (CE)" ratings.



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### **Detailed Rationale**

The rating revision is because of lack of adequate information regarding DLF Brands Private Limited performance and hence the uncertainty around its credit risk. Infomerics Valuation and Rating Private Limited (IVR) assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

Despite the best efforts of IVR to get the minimum required information for a review, the company has not provided the same. In the absence of adequate information from the entity, IVR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating. IVR has been regularly seeking No default statement (NDS) from the entity and the same last submitted was of December 2021 month. Hence, on account of inadequate information, IVR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating. Accordingly, the lenders, investors and 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.

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

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 rating for the bank loan facilities aggregating to Rs. 20.00 Crore of DLF Brands Private Limited have been continued under 'ISSUER NOT COOPERATING' category by Infomerics and the rating for the long term be noted as IVR B-/Negative Outlook; ISSUER NOT CO-OPERATING; based on best available information.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Rating Methodology for Service Companies](#)

[Rating Methodology for Trading Companies](#)

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

[Criteria for Assigning Rating Outlook](#)

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



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### **About the Company**

DLF Brands Private Ltd, a premier player in the Indian retail sector came into existence in 2006. One of the main objectives of the company is to trade and compete in India through retail formats by way of setting up, establishing, developing, managing, organizing or otherwise, mega stores/discount stores, hyper markets, supermarkets, shopping malls, specialty stores. The organisation currently operates prominent names like Disney & Me, PURE Home + Living, Lens Crafters' under its brand umbrella.

The name of DBPL was changed to DLF Retail Brands Private Limited in 2007, further changed its name to DLF Brands Limited and changed of the company from private limited to public limited in 2009. The company consequently changed from public limited to private limited company on October 4, 2018.

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

	<b>(Rs. crore)</b>	
<b>For the year ended*/ As on</b>	<b>31-03-2019</b>	<b>31-03-2020</b>
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	58.50	50.59
EBITDA	-59.07	-16.65
PAT	50.44	-16.70
Total Debt	87.03	81.69
Tangible Net worth	69.77	53.06
EBITDA Margin (%)	-100.99	-32.91
PAT Margin (%)	27.12	-27.38
Overall Gearing Ratio (x)	5.07	-6.77

*\*Classification as per Infomerics' standards*

**Status of non-cooperation with previous CRA:** None.

**Any other information:** Not applicable

**Rating History for last three years:**



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Sr. No	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (Feb 07, 2022)	Date(s) & Rating(s) assigned in 2020-21 (Dec 03, 2020)	Date(s) & Rating(s) assigned in 2019-20
1.	Fund Based Facilities	Long Term	20.00	IVR B-/ Negative; ISSUER NOT COOPERATING	IVR BB+ (CE) (Issuer Not Cooperating) <b>Unsupported:</b> IVR B-; Issuer Not Co-operating	IVR BBB (CE) Stable Outlook <b>Unsupported:</b> IVR B; Credit Watch with Developing Implications	-

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### About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating. Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

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

For more information 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, 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 entity 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 Based Facility - Cash Credit	-	-	-	20.00	IVR B-/Negative; ISSUER NOT COOPERATING

**Annexure 2: List of companies considered for consolidated analysis: Not Applicable.**

**Annexure 3: Facility wise lender details:**

<https://www.infomerics.com/admin/prfiles/Len-DLF-Brands-feb23.pdf>

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: 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).