



## Press Release

**Prateek Apparels Private Limited (PAPL)**  
**May 23, 2024**

### Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facility – Cash Credit	82.43	IVR B-/ Negative; Issuer Not Cooperating* (IVR Single B Minus with Negative outlook; Issuer Not Cooperating*)	Reaffirmed	Simple
Short Term Bank Facility – Letter of Credit	4.00	IVR A4; Issuer Not Cooperating* (IVR A Four; Issuer Not Cooperating*)	Reaffirmed	Simple
Short Term Bank Facilities- Suppliers Bill Discounting	5.00	IVR A4; Issuer Not Cooperating* (IVR A Four; Issuer Not Cooperating*)	Reaffirmed	Simple
<b>Total</b>	<b>Rs. 91.43</b>	<b>(Rupees Ninety One Crore and Forty Three Lacs Only)</b>		

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

### Details of Facilities are in Annexure 1

### Detailed Rationale

The revision in the ratings assigned to the bank facilities of PAPL reflects lack of adequate information and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity



## Press Release

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

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated April 1, 2024, March 27, 2024, March 19, 2024, March 4, 2024, February 29, 2024, February 19, 2024 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the requested information for monitoring the 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 review the ratings based on the best available information.

Accordingly, the long-term & Short-term ratings of the bank loan facilities aggregating to Rs.91.43 crore of (PAPL) shall be remain under the 'ISSUER NOT COOPERATING' category by Infomerics and the ratings will be at 'IVR B-; ISSUER NOT COOPERATING' with Negative Outlook and IVR A4; 'ISSUER NOT COOPERATING' based on best available information.

### **Analytical Approach:** Standalone

### **Applicable Criteria:**

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

[Criteria of assigning Rating Outlook](#)

[Rating methodology for Manufacturing companies](#)

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

### **About the company**

Incorporated in 1995, PAPL is engaged in the business of making readymade garments, retailing apparels and trading in fabric. Promoted by Mr. Pradeep Agarwal and the Phulchand Group, the company has four manufacturing units in Karnataka. The company primarily manufactures men's and women's formal and casual wear



## Press Release

under its in-house brands and undertakes contract manufacturing for large brands such as Brand Factory (Future group), Brand Studio Lifestyle Private Limited, Aditya Birla, among others. The company also operates one retail store under 'Coupon' brand and four franchise stores 'F-Square' in Bangalore.

### Financials (Standalone):

(Rs. crore)

For the year ended / As on	31-03-2018	31-03-2019
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	202.26	329.76
EBITDA	12.96	13.56
PAT	0.14	0.69
Total Debt	90.09	98.35
Tangible Net worth	111.67	112.17
<b>Ratios</b>		
EBITDA Margin	6.41	4.11
PAT Margin	0.07	0.21
Overall Gearing Ratio	0.81	0.88

\*Classification as per Infomerics' standards

### Status of non-cooperation with previous CRA:

#### ICRA

Facilities / Securities	Amount (Rs. crore)	Rating	Last Financials Considered	Date of Last Press Release
Long Term Facilities	82.43	ICRA B+; (INC)	FY18-19	Sep 28, 2023
Short Term Facilities	6.00	ICRA A4; (INC)		
Short Term Facilities	5.00	ICRA A4; (INC)		
Short Term Facilities	10.57	ICRA A4; (INC)		

**Comment:** ICRA Ratings vide its press release dated Sep 28, 2023, placed the ratings of PAPL under the 'issuer non-cooperating' category as PAPL had failed to provide information for monitoring of the rating.

#### India Ratings



## Press Release

Facilities / Securities	Amount (Rs. crore)	Rating	Last Financials Considered	Date of Last Press Release
Long Term Facilities	87.40	IND B+; (INC)	FY19-20	Sep 12, 2023
Short Term Facilities	4.00	IND A4; (INC)		

**Comment:** India Ratings vide its press release dated Sep 12, 2023, placed the ratings of PAPL under the 'issuer non-cooperating' category as PAPL had failed to provide information for monitoring of the rating.

**Any other information:** Nil

### Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstandi ng (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (March 30, 2023)	Date(s) & Rating(s) assigned in 2021-22 (March 11, 2022)	Date(s) & Rating (s) assign ed in 2020- 21 (Jan 4, 2021)
1.	Long Term Fund Based	Long Term	82.43	IVR B-/ Negative; ISSUER NOT COOPERATING *	IVR B-/ Negative; ISSUER NOT COOPERATING *	IVR B/ Negative; ISSUER NOT COOPERATING *	IVR B+/ Negativ e; ISSUE R NOT COOP ERATI NG *
2.	Short Term Non Fund Based	Short Term	4.00	IVR A4/ ISSUER NOT COOPERATING *	IVR A4/ ISSUER NOT COOPERATING *	IVR A4/ ISSUER NOT COOPERATING *	IVR A4+/ ISSUE R NOT COOP ERATI NG *



## Press Release

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3	Short Term Non Fund Based	Short Term	5.00	IVR A4/; ISSUER NOT COOPERATING *	IVR A4/; ISSUER NOT COOPERATING *	IVR A4/; ISSUER NOT COOPERATING *	IVR A4+/ ISSUE R NOT COOP ERATING *

*\*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



## Press Release

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 visit [www.infomerics.com](http://www.infomerics.com).

**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: 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	-	-	-	82.43	IVR B-/ Negative; ISSUER NOT COOPERATING *
Short Term Non Fund Based	-	-	-	4.00	IVR A4/; ISSUER NOT COOPERATING *
Short Term Non Fund Based				5.00	IVR A4/; ISSUER NOT COOPERATING *

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





## Press Release

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

**Annexure 3: Facility wise lender details:** Not Available

**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).