



## Press Release

**Prateek Apparels Pvt. Ltd.**

**January 4, 2021**

### Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	82.43	IVR B+; Issuer Not Cooperating (IVR Single B Plus; Issuer Not Cooperating)	Revised from IVR BB- / Stable Outlook (IVR Double B minus with Stable Outlook) and moved to Issuer Not Co-operating category
Short Term Bank Facilities	9.00	IVR A4; Issuer Not Cooperating (IVR A Four; Issuer Not Cooperating)	Revised from IVR A4+ (IVR A Four plus) and moved to Issuer Not Co-operating category
<b>Total</b>	<b>91.43</b> <b>(Rupees Ninety one crore forty three lacs only)</b>		

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

### Details of Facility are in Annexure 1

#### Detailed Rationale

The rating revision is because of lack of adequate information regarding Prateek Apparels Pvt Ltd (PAPL)'s performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company 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 the ratings may not adequately reflect the credit risk profile of the company.

#### 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 E-mail communications dated November 5, 2020, November 8, 2020, November 30, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees, NDS and 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 rating based on the best available information. Accordingly, the long-term and short-term ratings for the bank loan facilities aggregating



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to Rs.91.43 crore of NLTPL shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics.

### **Analytical Approach & Applicable Criteria**

Standalone

Guidelines on what constitutes Non-Cooperation by clients

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

### **About the Company**

Incorporated in 1995, PAPL is involved in the businesses 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 under various 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 two retail store under 'Coupon' brand and four franchise stores 'F-Square' in Bangalore.

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

For the year ended* / As On	(Rs. crore)	
	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
EBITDA Margin (%)	6.41	4.11
PAT Margin (%)	0.07	0.21
Overall Gearing Ratio (x)	0.81	0.88

\*Classification as per Infomerics' standards.

**Status of non-cooperation with previous CRA:** Vide Press Release dated October 30, 2019, ICRA has moved the rating of PAPL into the issuer non-cooperating category due to non-submission of information.



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**Any other information:** Nil

**Rating History for last three years:**

Sr. No	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Long Term Facilities-Cash Credit	LT	82.43	IVR B+; Issuer Not Cooperating (IVR Single B Plus; Issuer Not Cooperating)	IVR BB-/ Stable Outlook Dec. 26, 2019	-	-
2.	Short Term Facilities-Letter of Credit	LT	4.00	IVR A4; Issuer Not Cooperating (IVR A Four; Issuer Not Cooperating)	IVR A4+ Dec. 26, 2019	-	-
3.	Short Term Facilities-Suppliers Bill Discounting	ST	5.00	IVR A4; Issuer Not Cooperating (IVR A Four; Issuer Not Cooperating)	IVR A4+ Dec. 26, 2019	-	-

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

**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).

**Name and Contact Details of the Rating Analyst:**

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### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Firm's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.



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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 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 Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs.Crore)	Rating Assigned/ Outlook
Long Term Facilities-Cash Credit	-	-	-	82.43	IVR B+; Issuer Not Cooperating (IVR Single B Plus; Issuer Not Cooperating)
Short Term Facilities-Letter of Credit	-	-	-	4.00	IVR A4; Issuer Not Cooperating (IVR A Four; Issuer Not Cooperating)
Short Term Facilities-Suppliers Bill Discounting	-	-	-	5.00	IVR A4; Issuer Not Cooperating (IVR A Four; Issuer Not Cooperating)

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