



## Press Release

**Prateek Apparels Private Limited**

**March 11, 2022**

### **Ratings:**

<b>Instrument / Facility</b>	<b>Amount (Rs. crore)</b>	<b>Ratings</b>	<b>Rating Action</b>	<b>Complexity Indicator</b>
Long Term Facilities	82.43	IVR B; Issuer Not Cooperating* (IVR Single B; Issuer Not Cooperating*)	Downgraded from IVR B+; Issuer Not Cooperating* and continued at ISSUER NOT COOPERATING category	Simple
Short Term Facilities	9.00	IVR A4; Issuer Not Cooperating* (IVR A Four; Issuer Not Cooperating*)	Reaffirmed and continued at ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>91.43 (Rupees Ninety one crore Forty three lakh only)</b>			

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

**Details of Facilities are in Annexure 1**

### **Detailed Rationale**

The aforementioned rating revision is because of lack of adequate information regarding Prateek Apparels Private Limited's (PAPL's) performance and hence 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 the rating may not adequately reflect the credit risk profile of the entity.

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

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating assigned to the bank facilities, vide mail communications dated January 7, 2022, January 13, 2022, and February 4, 2022 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the surveillance fees and all the essential details required for monitoring the ratings.



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Availability of information is very critical in the 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 and short-term ratings for PAPL's bank loan facilities aggregating Rs.91.43 crore is kept in the 'ISSUER NOT COOPERATING' category by Infomerics.

**Analytical Approach:** Standalone

**Applicable Criteria:**

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

[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 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 two retail stores under 'Coupon' brand and four franchise stores 'F-Square' in Bangalore.

**Financials (Standalone):**

For the year ended/ As On*	(Rs. crore)	
	31-03-2018 (Audited)	31-03-2019 (Audited)
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 (x)	0.81	0.88

\*As per Infomerics' standards



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**Status of non-cooperation with previous CRA:** PAPL's ratings continue to be in the Non-cooperation category by ICRA vide Press Release dated April 26, 2021.

**Any other information:** Nil

**Rating History for last three years:**

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-21 (January 4, 2021)	Date(s) & Rating(s) assigned in 2019-20 (December 26, 2019)	Date(s) & Rating(s) assigned in 2018-19
1.	Long Term Facilities – Cash Credit	Long Term	82.43	IVR B; Issuer Not Cooperating *	IVR B+; Issuer Not Cooperating*	IVR BB-/Stable Outlook	
2.	Short Term Facilities-Letter of credit	Short Term	4.00	IVR A4; Issuer Not Cooperating *	IVR A4; Issuer Not Cooperating*	IVR A4+	
3.	Short Term Facilities-Suppliers Bill Discounting	Short Term	5.00	IVR A4; Issuer Not Cooperating *	IVR A4; Issuer Not Cooperating*	IVR A4+	

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

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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.



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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).

**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



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### Annexure 1: Details of Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Facilities – Cash Credit	-	-	-	82.43	IVR B; Issuer Not Cooperating*
Short Term Facilities-Letter of credit	-	-	-	4.00	IVR A4; Issuer Not Cooperating*
Short Term Facilities-Suppliers Bill Discounting	-	-	-	5.00	IVR A4; Issuer Not Cooperating*

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

**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).