

Press Release

Wearit Global Limited

07 March, 2018



Rating Update

| | |
|-------------------------------------|---------------------------------------|
| Total Bank Facilities Rated* | Rs. 310.04 Cr. # |
| Long Term Rating | SMERA BB+ Issuer not co-operating* |
| Short Term Rating | SMERA A4+ Issuer not co-operating* |

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

SMERA has reviewed long-term rating of '**SMERA BB+**' (read as SMERA double B plus) and short term rating of '**SMERA A4+**' (read as SMERA A four plus) on the Rs 310.04 crore bank facilities of Wearit Global Limited (WGL). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower

SMERA has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

- Default Recognition - <https://www.smerra.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.smerra.in/criteria-fin-ratios.htm>
- Manufacturing Entities - <https://www.smerra.in/criteria-manufacturing.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity

The Kolkata based WGL, (the erstwhile Ritspin Global Limited) incorporated in 1999 as an investment company changed its business to trading in polyester yarns and fibres in 2002. The company started with manufacturing activities from FY'11 with the acquisition of a spinning unit which had installed capacities of 25,776 spindles. Currently, the company has a combined installed capacity of 1, 55,648 spindles presently and is managed by Mr. Manish Kumar.

About the Rated Entity Financial

| | Unit | FY17 (Actual) | FY16 (Actual) | FY15 (Actual) |
|-------------------------------|---------|---------------|---------------|---------------|
| Operating Income | Rs. Cr. | 767.04 | 746.44 | 701.13 |
| EBITDA | Rs. Cr. | 6.52 | 42.06 | 32.21 |
| PAT | Rs. Cr. | (37.50) | 8.48 | 6.69 |
| EBITDA Margin (%) | (%) | 0.85 | 5.64 | 4.59 |
| PAT Margin (%) | (%) | (4.89) | 1.14 | 0.95 |
| ROCE (%) | (%) | 0.40 | 8.95 | 8.59 |
| Total Debt/Tangible Net Worth | Times | 146.91 | 182.28 | 171.89 |
| PBDIT/Interest | Times | 0.21 | 1.48 | 1.58 |
| Total Debt/PBDIT | Times | 40.58 | 6.58 | 7.37 |
| Gross Current Assets (Days) | Days | 202 | 185 | 173 |

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Crore) | Ratings/Outlook |
|------------------|---------------------------------|------------|--------------------|--------------------------------|
| 16-December-2016 | Packing Credit | Long Term | INR 134.70 | SMERA BB+/ Stable (Reaffirmed) |
| | Cash Credit | Long Term | INR 86.05 | SMERA BB+/ Stable (Reaffirmed) |
| | Term Loan / FCTL | Long Term | INR 66.29 | SMERA BB+/ Stable (Reaffirmed) |
| | Foreign Bill Purchase | Long Term | INR 18.00 | SMERA BB+/ Stable (Reaffirmed) |
| | Letter of Credit | Short Term | INR 5.00 | SMERA A4+ (Reaffirmed) |
| 19-October-2015 | Packing Credit | Long Term | INR 204.27 | SMERA BB+/ Stable (Reaffirmed) |
| | Cash Credit | Long Term | INR 9.73 | SMERA BB+/ Stable (Assigned) |
| | Term Loan / FCTL | Long Term | INR 66.04 | SMERA BB+/ Stable (Assigned) |
| | Foreign Bill Purchase | Long Term | INR 25.00 | SMERA BB+/ Stable (Assigned) |
| | Letter of Credit | Short Term | INR 5.00 | SMERA A4+ (Assigned) |
| 12-October-2015 | Packing Credit | Long Term | INR 55.20 | SMERA BB+/ Stable (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings |
|------------------------|------------------|----------------|----------------|-------------------------------|---------------------------------------|
| Packing Credit | Not Applicable | Not Applicable | Not Applicable | 134.70 | SMERA BB+ Issuer not co-operating* |
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 86.05 | SMERA BB+ Issuer not co-operating* |
| Term Loan / FCTL | Not Applicable | Not Applicable | Not Applicable | 66.29 | SMERA BB+ Issuer not co-operating* |
| Foreign Bill Purchase | Not Applicable | Not Applicable | Not Applicable | 18.00 | SMERA BB+ Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 5.00 | SMERA A4+ Issuer not co-operating* |

*The issuer did not co-operate; Based on best available information.

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ABOUT SMERA

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