

Press Release

Sobhagia Sales Private Limited (SSPL)

June 27, 2018

Rating Update



Total Bank Facilities Rated*	Rs. 27.78 Cr.#
Long Term Rating	ACUITE BBB- Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has reviewed the long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs.27.78 crore bank facilities of Sobhagia Sales Private Limited (SSPL). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower: Acuité 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 Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entity: <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-20.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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity

Sobhagia Sales Private Limited (SSPL) was established in 1993 by Mr. Raj Avasthi and Mr. Munish Avasthi. The company, part of the Sportking Group, is engaged in manufacturing and trading of hosiery and readymade garments for men, women, and kids at its unit in Ludhiana (Punjab). Its main products are pullovers, track suits, cardigans, infant wear among others. It sells its products through its 85 outlets including 65 own stores. SSPL's products are sold under its brands, 'Sportking', 'Mentor' 'Sublime' and 'Woodburn. The installed manufacturing capacity of the company is 6000 pieces per day for knitted cloth.

For FY2015-16, the company reported profit after tax (PAT) of Rs.4.54 crore on operating income of Rs.147.13 crore, as compared with PAT of Rs.4.38 crore on operating income of Rs.146.78 crore in FY2014-15. The net worth stood at Rs.67.16 crore (included quasi equity of Rs.4.53 crore) as on 31 March, 2016 against Rs.59.70 crore (included quasi equity of Rs. 1.59 crore) a year earlier.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
12-May-2017	Cash Credit	Long term	4.03	ACUITE BBB- / Stable (Upgraded)
	Term Loan	Long term	10.00	ACUITE BBB- / Stable (Upgraded)
	Proposed Long Term Loan	Long term	13.75	ACUITE BBB- / Stable (Upgraded)
31-March-2016	Cash Credit	Long term	10.00	ACUITE BB+/Stable (Assigned)
	Term Loan	Long term	6.66	ACUITE BB+/Stable (Assigned)
	Proposed Working Capital Demand Loan	Long term	0.34	ACUITE 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/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.03	ACUITE BBB- Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BBB- Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	13.75	ACUITE BBB- Issuer not co-operating*

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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