Press Release

Navagiri Apparel

February 07, 2019

Rating Update

Total Bank Facilities Rated*	Rs. 11.50 Cr.#
Long Term Rating	ACUITE BB Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

#Refer Annexure for details
**The issuer did not co-operate; based on best available information.*

Acuite has reviewed the long term rating of **'ACUITE BB' (read as ACUITE double B)** and short term rating of **ACUITE A4+ (read as ACUITE A four plus)** to the Rs.11.50 crore bank facilities of Navagiri Apparel (NA). This rating is now an indicative rating and is based on best available information.

NA, (erstwhile Hardikaa Exports), was established in 2012 by Mr. A.R. Shanmugam and Ms. S. Kalarani. The firm manufactures garments for women and children.

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
- Manufacture Recognition -https://www.acuite.in/view-rating-criteria-4.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 - Key Financials

	Unit	FY17 (Projections)	FY16 (Provisional)	FY15 (Actual)
Operating Income	Rs. Cr.	73.57	69.19	57.55
EBITDA	Rs. Cr.	6.73	8.26	4.10
PAT	Rs. Cr.	4.06	4.94	1.59
EBITDA Margin	(%)	9.15	11.93	7.13
PAT Margin	(%)	5.52	7.14	2.77
ROCE (%)	(%)	29.81	39.73	13.08
Total Debt/Tangible Net Worth	Times	0.41	0.30	0.37
PBDIT/Interest	Times	7.79	9.84	4.92
Total Debt/PBDIT	Times	1.02	0.59	1.38
Gross Current Assets (Days)	Days	-	-	-

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 (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
16-Jan-2018	Term Loan	Long Term	1.50	ACUITE BB Issuer not co-operating
	Packing Credit	Short Term	5.00^	ACUITE A4+ Issuer not co-operating
	Foreign Documentary Bill Purchase	Short Term	5.00**	ACUITE A4+ Issuer not co-operating
01-Sep-2016	Term Loan	Long Term	1.50	ACUITE BB/ Stable (Assigned)
	Packing Credit	Short Term	5.00^	ACUITE A4+ (Assigned)
	Foreign Documentary Bill Purchase	Short Term	5.00**	ACUITE A4+ (Assigned)

^Fully interchangeable with Pre-shipment Credit in Foreign Currency
*** Fully interchangeable with foreign usance Discount Bill purchase in INR or Foreign currency*

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term Loan	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE BB Issuer not co-operating*
Packing Credit	Not Applicable	Not Applicable	Not Applicable	5.00^	ACUITE A4+ Issuer Not co-operating*
Foreign Documentary Bill Purchase	Not Applicable	Not Applicable	Not Applicable	5.00**	ACUITE A4+ Issuer Not co-operating*

^Fully interchangeable with Pre-shipment Credit in Foreign Currency
** Fully interchangeable with foreign usance Discount Bill purchase in INR or Foreign currency
**The issuer did not co-operate; based on best available information.*

Contacts

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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.