Press Release

Pravena Creations

March 02, 2023

Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	0.50	ACUITE C | Downgraded | Issuer not co-operating*	-
Bank Loan Ratings	9.00	-	ACUITE A4 | Reaffirmed | Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	9.50	-	-

Rating Rationale

Acuité has **downgraded** the **long-term rating to 'ACUITE C' (read as ACUITE C) from 'ACUITE B+'(read as ACUITE B plus) and reaffirmed short term rating of 'Acuite A4' (read as ACUITE A four)** on the Rs. 9.50 crore bank facilities of Pravena Creations.
The rating is downgraded is on account of information risk required for review of ratings. The rating continues to be an indicative rating and is based on the best available information. The downgrade is on the basis of publicly available information that has reported about the ongoing delays in their repayments.

About the Company

Pravena Creations (PC) based in Tamil Nadu established in 1999 as a proprietorship concern managed by N. S. Sathish Kumar was converted into a partnership firm in 2006. The firm is engaged in the manufacturing and export of knitted wear and garments for men, women and children. The knitted garments contribute around 80 percent of the total revenue and the balance is generated from woven garments.

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 the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating continues to be flagged as "Issuer notcooperating", in line with prevailing SEBI regulations and Acuité's policies.

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 endeavored 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

The entity has not shared the latest financial statement despite repeated requests.

Rating Sensitivity
No information provided by the issuer / available for Acuite to comment upon.

Material Covenants
None

Liquidity Position
No information provided by the issuer / available for Acuite to comment upon.

Outlook
Not Applicable

Other Factors affecting Rating
Not Applicable

Status of non-cooperation with previous CRA
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.

Applicable Criteria
- Manufacturing Entities: https://www.acuite.in/view-rating-criteria-59.htm
- Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm

Note on Complexity Levels of the Rated Instrument
In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
23 Jun 2022	Packing Credit	Short Term	7.50	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	0.50	ACUITE B+ (Issuer not co-operating*)
	Proposed Packing Credit	Short Term	1.50	ACUITE A4 (Issuer not co-operating*)
25 Mar 2021	Proposed Packing Credit	Short Term	1.50	ACUITE A4 (Issuer not co-operating*)
	Packing Credit	Short Term	7.50	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	0.50	ACUITE B+ (Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Tamilnad Mercantile Bank Limited	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	0.50	ACUITE C | Downgraded | Issuer not co-operating*
Tamilnad Mercantile Bank Limited	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	7.50	ACUITE A4 | Reaffirmed | Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Packing Credit	Not Applicable	Not Applicable	Not Applicable	Simple	1.50	ACUITE A4 | Reaffirmed | Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.