

Press Release

Neerus Ensembles Private Limited

May 13, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 51.00 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.

Acuité has reviewed long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 51.00 crore bank facilities of Neeru's Ensembles Private Limited (NEPL). This rating is now an indicative rating and is based on best available information.

NEPL, a Hyderabad based company was incorporated in 2005 by Mr. Harish Kumar and, Ms. Neeru Kumar. At present, the Directors are Mr. Harish Kumar, Ms. Neeru Kumar and Mr. Avnish Kumar. The company is engaged in manufacturing and trading of apparels for kids, women and men with manufacturing operations accounting for around 20 per cent of their revenues. The manufacturing unit of the company is located in Jubilee Hills, Hyderabad. The balance is from trading where the company does the work of designing the apparels. Recently, the company has started with the accessories department which contributes to about 1 per cent of the total revenue. NEPL procures raw materials ~10 per cent from China and the rest is procured from domestic markets including Mumbai, Delhi, Kolkata, Chennai, and other places. The key raw materials required are cotton, polyester and viscose. The company has its showrooms in various places including Hyderabad, Mumbai and Bangalore, to name a few.

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/criteria-default.htm>
- Manufacturing entities- <https://www.acuite.in/criteria-services.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	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	200.90	171.12	150.11
EBITDA	Rs. Cr.	24.31	17.59	13.60
PAT	Rs. Cr.	3.97	3.29	1.11
EBITDA Margin	(%)	12.10	10.28	9.06
PAT Margin	(%)	1.98	1.92	0.74
ROCE (%)	(%)	12.38	11.69	18.33
Total Debt/Tangible Net Worth	Times	4.15	2.03	1.59
PBDIT/Interest	Times	1.95	2.01	1.57

Total Debt/PBDIT	Times	5.73	4.50	5.05
Gross Current Assets (Days)	Days	247	185	196

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

None

Any other information

Acuite 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
04-Apr-2018	Cash Credit	Long Term	11.90	ACUITE BBB-/ Stable (Assigned)
	Cash Credit	Long Term	13.00	ACUITE BBB-/ Stable (Assigned)
	WC Term Loan	Long Term	10.00	ACUITE BBB-/ Stable (Assigned)
	Cash Credit	Long Term	16.00	ACUITE BBB-/ Stable (Assigned)
	Proposed Long term Loan	Long Term	0.10	ACUITE BBB-/ Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	11.90	ACUITE BBB- Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	13.00	ACUITE BBB- Issuer not co-operating*
WC Term Loan	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BBB- Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	16.00	ACUITE BBB- Issuer not co-operating*
Proposed Long term Loan	Not Applicable	Not Applicable	Not Applicable	0.10	ACUITE BBB- Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
Pooja Ghosh Head - Corporate and Infrastructure Sector Ratings Tel: 033-6620 1203 pooja.ghosh@acuite.in Debalina Maity Analyst - Rating Operations Tel: 033-66201212 debalina.maity@acuiterratings.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in

About Acuite Ratings & Research:

Acuite 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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