

Press Release

Neerus Ensembles Private Limited

September 11, 2020



Rating Update

Total Bank Facilities Rated*	Rs.51.00 Cr. #
Long Term Rating	ACUITE BB (Downgraded) Issuer not co-operating*

Refer Annexure for details

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

Acuité has downgraded the long-term rating to '**ACUITE BB**' (**read as ACUITE double B**) from '**ACUITE BB+**' (**read as ACUITE double B plus**) on the Rs.51.00 crore bank facilities of Neerus Ensembles Private Limited. This rating is now an indicative rating and is based on the best available information.

Neerus Ensembles Private Limited (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 around 15-20 percent of total revenue and also trading of apparels for kids, ladies and gents. The manufacturing unit of the company is located in Hyderabad, Mumbai and Delhi. The balance is from trading, where the company does the work of designing the apparels. Recently, the company has started the accessories department, which contributes to about 1 per cent of the total revenue. NEPL procures raw materials from China and the rest is procured from the domestic market, including Mumbai, Delhi, Kolkata, Chennai, and other places. The key raw materials required are cotton, polyester and viscose. The company has 52 showrooms across 25 cities in 2 countries, i.e., India and Dubai.

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.

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-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-61.htm>
- Application of Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-53.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 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 rated entity has not shared the latest financial statements despite repeated requests.

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

ICRA, vide its press release dated Dec 31, 2019 had denoted the rating of Neeru's Ensembles Private Limited as 'ICRA B+/ ICRA A4; DOWNGRADED & ISSUER NOT CO-OPERATING' on account of lack of adequate information required for monitoring the ratings.

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
02-Jul-2019	Cash Credit	Long Term	11.90	ACUITE BB+/ Stable (Downgraded)
	Cash Credit	Long Term	13.00	ACUITE BB+/ Stable (Downgraded)
	Working Capital Term Loan	Long Term	10.00	ACUITE BB+/ Stable (Downgraded)
	Cash Credit	Long Term	16.00	ACUITE BB+/ Stable (Downgraded)
	Proposed Long Term Loan	Long Term	0.10	ACUITE BB+/ Stable (Downgraded)
13-May-2019	Cash Credit	Long Term	11.90	ACUITE BBB- (Indicative)
	Cash Credit	Long Term	13.00	ACUITE BBB- (Indicative)
	Working Capital Term Loan	Long Term	10.00	ACUITE BBB- (Indicative)
	Cash Credit	Long Term	16.00	ACUITE BBB- (Indicative)
	Proposed Long Term Loan	Long Term	0.10	ACUITE BBB- (Indicative)
04-Apr-2018	Cash Credit	Long Term	11.90	ACUITE BBB-/ Stable (Assigned)
	Cash Credit	Long Term	13.00	ACUITE BBB-/ Stable (Assigned)
	Working Capital Term Loan	Long Term	10.00	ACUITE BBB-/ Stable (Assigned)
	Cash Credit	Long Term	16.00	ACUITE BBB-/ Stable (Assigned)
	Proposed Bank Facility	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 BB (Downgraded) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	13.00	ACUITE BB (Downgraded) Issuer not co-operating*
Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB (Downgraded) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	16.00	ACUITE BB (Downgraded) Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	0.10	ACUITE BB (Downgraded) Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research 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 8,000 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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