

Press Release

Neerus Ensembles Private Limited

December 14, 2021



Rating Downgraded and Issuer not co-operating

Product	Initial Quantum (Rs. Cr.)	Net Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	51.00	51.00	ACUITE BB- Downgraded Issuer not co-operating*	
Total	-	51.00	-	-

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BB-**' (**read as ACUITE double B minus**) from '**ACUITE BB**' (**read as ACUITE double B**) on the Rs. 51.00 crore bank facilities of Neeru's Ensembles Private Limited(NEPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

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

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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.

Liquidity Indicators

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

Rating Sensitivity

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

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

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

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
11 Sep 2020	Cash Credit	Long Term	11.90	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	13.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Working Capital Term Loan	Long Term	10.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.10	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	16.00	ACUITE BB (Downgraded and Issuer not co-operating*)
02 Jul 2019	Working Capital Term Loan	Long Term	10.00	ACUITE BB+ Stable (Downgraded from ACUITE BBB-)
	Cash Credit	Long Term	11.90	ACUITE BB+ Stable (Downgraded from ACUITE BBB-)
	Cash Credit	Long Term	16.00	ACUITE BB+ Stable (Downgraded from ACUITE BBB-)
	Proposed Long Term Loan	Long Term	0.10	ACUITE BB+ Stable (Downgraded from ACUITE BBB-)
	Cash Credit	Long Term	13.00	ACUITE BB+ Stable (Downgraded from ACUITE BBB-)
13 May 2019	Working Capital Term Loan	Long Term	10.00	ACUITE BBB- (Issuer not co-operating*)
	Cash Credit	Long Term	11.90	ACUITE BBB- (Issuer not co-operating*)
	Cash Credit	Long Term	13.00	ACUITE BBB- (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.10	ACUITE BBB- (Issuer not co-operating*)
	Cash Credit	Long Term	16.00	ACUITE BBB- (Issuer not co-operating*)

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

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Initial Quantum (Rs. Cr.)	Net Quantum (Rs. Cr.)	Rating
Axis Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	16.00	16.00	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	13.00	13.00	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
ICICI Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	11.90	11.90	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.10	0.10	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
HDFC Bank Ltd	Not Applicable	Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	10.00	10.00	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in
Aayushi Mehrotra Management Trainee-Rating Operations Tel: 022-49294065 aayushi.mehrotra@acuite.in	

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 8,850 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 Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.