



## Press Release

Neerus Ensembles Private Limited

June 07, 2024

### Rating Downgraded and Issuer not co-operating

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

### Rating Rationale

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

### About the Company

Hyderabad based, Neeru's Ensembles Private Limited, was incorporated in 2005. At present, the Directors of the company are 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. Neerus Ensembles Private Limited 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.

### Unsupported Rating

Not Applicable

### Non-cooperation by the issuer/borrower:

Acuite 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.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite'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.

**Rating Sensitivity**

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

**Liquidity Position**

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

**Outlook**

Not Applicable

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	192.12	138.63
PAT	Rs. Cr.	5.77	(6.25)
PAT Margin	(%)	3.00	(4.51)
Total Debt/Tangible Net Worth	Times	17.35	33.17
PBDIT/Interest	Times	1.99	1.01

## Status of non-cooperation with previous CRA

Not Applicable

## Any other information

None

## 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>

## Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite 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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
10 Mar 2023	Cash Credit	Long Term	16.00	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	13.00	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	11.90	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	0.10	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Working Capital Term Loan	Long Term	10.00	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
14 Dec 2021	Cash Credit	Long Term	16.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
	Cash Credit	Long Term	13.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
	Cash Credit	Long Term	11.90	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
	Proposed Long Term Bank Facility	Long Term	0.10	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)
	Working Capital Term Loan	Long Term	10.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)

## Annexure - Details of instruments rated

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

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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.

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