



Press Release
NEERU'S ENSEMBLES PRIVATE LIMITED
April 04, 2025
Rating Downgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	51.00	ACUITE C Downgraded	-
Total Outstanding Quantum (Rs. Cr)	51.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs. 51.00 crore bank facilities of Neeru's Ensembles Private Limited.

Rationale for Downgrade

The downgrade is based on Credit information bureau report which reflects that there were delays of 01 day in long term loan in the month of March 2025.

About the Company

Neeru's Ensembles Private Limited (NEPL), a Hyderabad based company by Mr. Harish Kumar, Ms. Neeru Kumar. It was initially established as a wholesale trading firm in the year 1971; later in 2005 it was incorporated as private limited company and NEPL is currently managed by Mr. Harish Kumar, Ms. Neeru Kumar and Mr. Avnish Kumar as directors. The company is engaged in manufacturing and trading of apparels for kids, ladies and gents. For the portion of revenue, which is classified as trading of apparels, NEPL adds value by designing the product. The company has its three manufacturing facilities located in Hyderabad, Mumbai and Delhi. NEPL procures its key raw materials from domestic market from Mumbai, Delhi, Kolkata, Chennai, and other places. The key raw materials required are cotton, polyester, viscose. The company has its 45 showrooms across 25 cities.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of NEPL to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management:

Established in the year 2005, The company is engaged in manufacturing and trading of Apparels for Kids, Ladies and Gents. Currently Mr. Neeru Kumar And Mr. Avinash Kumar are the Directors of the company. The promoters of NEPL, Mr. Harish Kumar, Ms. Neeru Kumar has over four decades of experience in this industry. Previously it was operating as a partnership firm. The company has presence in around 25 cities with 45 showrooms. Acuite believes that the company will benefit from its experienced management and geographical diversified operations.

Weaknesses

Intense market competition

The company is exposed to intense market competition in the highly unorganised and competitive retail garment

business. This has resulted in pressure on margin of the company. Acuite believes that the Company would be susceptible to intensive competition over the medium term.

Delays in servicing term debt obligations

The downgrade is based on credit information bureau report which reflects delay in repayment of long term loan in

the month of March in 2025.

Rating Sensitivities

Timely servicing of the debt obligations.

Liquidity Position

Poor

The liquidity is poor because the company has made delays in the month of March 2025 in servicing the debt obligations as reflected from the Credit Information Report.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Provisional)	FY 23 (Actual)
Operating Income	Rs. Cr.	231.43	191.74
PAT	Rs. Cr.	7.19	5.77
PAT Margin	(%)	3.11	3.01
Total Debt/Tangible Net Worth	Times	10.76	17.35
PBDIT/Interest	Times	1.87	1.81

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

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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, 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
19 Aug 2024	Cash Credit	Long Term	11.90	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Cash Credit	Long Term	25.00	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Working Capital Demand Loan (WC DL)	Long Term	14.10	ACUITE BB- Stable (Upgraded from ACUITE B+)
07 Jun 2024	Proposed Long Term Bank Facility	Long Term	0.10	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Cash Credit	Long Term	11.90	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Cash Credit	Long Term	13.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Working Capital Term Loan	Long Term	10.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Cash Credit	Long Term	16.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
10 Mar 2023	Cash Credit	Long Term	16.00	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Working Capital Term Loan	Long Term	10.00	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*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.90	Simple	ACUITE C Downgraded (from ACUITE BB-)
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE C Downgraded (from ACUITE BB-)
Tata Capital Limited	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.10	Simple	ACUITE C Downgraded (from ACUITE BB-)

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About Acuité Ratings & Research

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