

Press Release
Dignity Innovations

September 14, 2020

Rating Update



| | |
|-------------------------------------|---------------------------------------|
| Total Bank Facilities Rated# | Rs.25.00 Cr. |
| Short Term Rating | ACUITE A4 Issuer not co-operating* |

#Refer Annexure for details

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

Rating Rationale

Acuité has reviewed the short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.25.00 crore bank facilities of Dignity Innovations (DI). The rating is flagged as "Issuer Not-Cooperating" on account of information risk.

Dignity Innovations (DI) is a Tamil Nadu based partnership firm established in 1994 and converted to a sole proprietorship in 2015. The firm is promoted by Mr. S Rajasekaran. The firm is engaged in manufacturing of readymade garments, which mainly caters to the exports clients in United States, Europe, Dubai and Australia. The firm has six manufacturing facilities at Chennai with a total installed capacity of 7 lakh pieces per month. The firm is a part of Avigna group which is into diversified business sectors, namely, real estate and education, among others.

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.

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

Applicable Criteria

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

The rated entity has not shared the latest financial statements despite repeated requests.

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

None

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 |
|------------|---------------------------------|------------|-----------------|----------------------|
| 04-July-19 | PC/PCFC | Short Term | 7.00 | ACUITE A4 (Assigned) |
| | FBN/FBP/FBD/PSFC/FBE | Short Term | 10.00 | ACUITE A4 (Assigned) |
| | Letter of Credit | Short Term | 8.00 | ACUITE A4 (Assigned) |

Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings/Outlook |
|------------------------|------------------|----------------|----------------|-------------------------------|---------------------------------------|
| PC/PCFC | Not Applicable | Not Applicable | Not Applicable | 7.00 | ACUITE A4 Issuer not co-operating* |
| FBN/FBP/FBD/PSFC /FBE | Not Applicable | Not Applicable | Not Applicable | 10.00 | ACUITE A4 Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 8.00 | ACUITE A4 Issuer not co-operating* |

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

Contacts

| Analytical | Rating Desk |
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| <p>Aditya Gupta Vice President - Corporate and Infrastructure Sector Tel: 022-4929041 aditya.gupta@acuite.in</p> <p>Bhavani Nagidi Rating Analyst - Rating Operations Tel: 040-40042327 nagidi.bhavani@acuite.in</p> | <p>Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in</p> |

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 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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