

Press Release

Best Sellers Apparels Private Limited

January 16, 2023



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	24.22	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	23.37	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	47.59	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to 'ACUITE BB+' (read as ACUITE double B 'plus') from Acuite BBB- (read as ACUITE BBB 'minus') and short term rating to 'ACUITE A4+(read as ACUITE A four 'plus') from ACUITE A3 (Read as Acuite A Three) on the Rs.47.59 Cr bank facilities of **BEST SELLERS APPARELS PRIVATE LIMITED (BSAPL)**.

The rating is now an indicative rating and is based on the best available information. The rating has been downgraded on account of information risk.

About the Company

Best Sellers Apparels Private Limited (BSPL) is a Manipal (Udupi), based company incorporated in 2005, by Mr. Sachin Pai, grandson of Mr. TMA Pai, the founder of the Manipal Group. BSPL is engaged in manufacturing of denim bottom wear for large brands such as Pepe Jeans, Spykar, Mufti, Benetton, among others. The company has three manufacturing facilities in and around Manipal with a combined capacity of 1.80 lacs garment per month.

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 noncooperation by the issuer along with an 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). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit

rating is based.

Rating Sensitivities

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

Material Covenants

None

Liquidity Position

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

Outlook:

Not applicable

Key Financials:

The issuer has not shared the latest financial statement for Acuite to comment

Status of non-cooperation with previous CRA

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.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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
23 Dec 2021	Term Loan	Long Term	0.72	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	16.00	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	5.49	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.21	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	9.00	ACUITE BBB- (Withdrawn)
	Letter of Credit	Short Term	5.00	ACUITE A3 (Reaffirmed)
	Proposed Bank Facility	Short Term	18.37	ACUITE A3 (Reaffirmed)

	Secured Overdraft	Long Term	0.80	ACUITE BBB- Stable (Reaffirmed)
22 Sep 2020	Bills Discounting	Long Term	9.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	3.64	ACUITE BBB- Stable (Reaffirmed)
	Proposed Bank Facility	Short Term	13.95	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	16.00	ACUITE BBB- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
NKGSB Cooperative Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	16.00	ACUITE BB+ Downgraded Issuer not co-operating*
NKGSB Cooperative Bank Ltd	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE A4+ Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Short Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	18.37	ACUITE A4+ Downgraded Issuer not co-operating*
ICICI Bank Ltd	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	0.80	ACUITE BB+ Downgraded Issuer not co-operating*
ICICI Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.72	ACUITE BB+ Downgraded Issuer not co-operating*
NKGSB Cooperative Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.21	ACUITE BB+ Downgraded Issuer not co-operating*
ICICI Bank Ltd	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	5.49	ACUITE BB+ Downgraded Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Moparthy Anuradha Devi Analyst-Rating Operations Tel: 022-49294065 moparthy.anuradha@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

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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