

January 14, 2020

Prateek Apparels Private Limited: Continues to remain in Non-Cooperating category, Rating downgraded based on best available information

Summary of rated instruments

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-Term– Fund based- Cash Credit	82.43	82.43	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) and continues to remain in the ‘Issuer Not Cooperating’ category
Short Term - Fund Based	5.00	5.00	[ICRA]A4 ISSUER NOT COOPERATING*; Rating continues to remain in the ‘Issuer Not Cooperating’ category
Short Term - Unallocated	10.57	10.57	[ICRA]A4 ISSUER NOT COOPERATING*; Rating continues to remain in the ‘Issuer Not Cooperating’ category
Short Term - Non-Fund Based	6.00	6.00	[ICRA]A4 ISSUER NOT COOPERATING*; Rating continues to remain in the ‘Issuer Not Cooperating’ category
Total	104.00	104.00	

^{*}Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

The ratings are downgrade because of lack of adequate information regarding Prateek Apparels Private Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its “Policy in respect of non-cooperation by the rated entity”. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Prateek Apparels Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity’s management has remained non-cooperative. In the absence of requisite information and in line with SEBI’s Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA’s Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

About the company

Incorporated in 1995, Prateek Apparels Private Limited (PAPL) is engaged in the business of manufacturing of readymade garments, retailing apparels and trading in fabric. The company primarily manufactures men's and women's formal and casual wear under its in-house brands and undertakes contract manufacturing for large brands such as Levi's, Splash and Aditya Birla. The Company entered retail operations in 2007 through its subsidiary Prateek Lifestyle Limited, which was merged in PAPL in 2009. PAPL had also tied up with e-commerce players such as Snapdeal, Flipkart and Amazon for sale of its brands such as Black Coffee, Mark Taylor, Locomotive, Highlander, Vishudh, Folklore and Tokyo Talkies catering to men and women. The company sells to distributors such as Brand Studio Lifestyle P Ltd which in turn sells to various ecommerce players. The company also has presence across 55 stores of Brand Factory (Futures Group) stores across India.

Key financial indicators (Audited)

	FY 2018	FY 2019
Operating Income (Rs. crore)	199.9	326.9
PAT (Rs. crore)	0.1	0.7
OPBDIT/OI (%)	4.4%	3.1%
RoCE (%)	6.5%	7.4%
Total Outside Liabilities/Tangible Net Worth (times)	1.4	1.9
Total Debt/OPBDIT (times)	10.8	10.2
Interest Coverage (times)	0.7	0.7
DSCR	1.2	1.2

Source : MCA

Status of non-cooperation with previous CRA

Not applicable

Any other information

Not applicable

Rating history for past three years

All figures in Rs. crore

S No	Name of Instrument	Type	Current Rating (FY2020)			Rating History for the Past 3 years		
			Rated amount	Amount outstanding	Month-year & Rating	Month- year and Rating in		
						(Rs. crore)	January 14, 2020	FY2019 October 30, 2018
1	Cash Credit	Long-term	82.43	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*	[ICRA]BB- (Stable) ISSUER NOT COOPERATING*	[ICRA]BB- (Stable)	[ICRA]BB- (Stable)
2	Fund Based	Short-term	5.00	-	[ICRA]A4 ISSUER NOT COOPERATING*	[ICRA]A4 ISSUER NOT COOPERATING*	[ICRA]A4	[ICRA]A4
3	Unallocated	Short-term	10.57	-	[ICRA]A4 ISSUER NOT COOPERATING*	[ICRA]A4 ISSUER NOT COOPERATING*	[ICRA]A4	[ICRA]A4
4.	Non-Fund Based	Short-term	6.00	-	[ICRA]A4 ISSUER NOT COOPERATING*	[ICRA]A4 ISSUER NOT COOPERATING*	[ICRA]A4	[ICRA]A4

*Issuer did not co-operate; based on best available information; All figures in Rs. Crore

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1 Instrument Details

ISIN No	Instrument	Type	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	Long-term	-	-	-	82.43	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*
NA	Fund Based	Short -term	-	-	-	5.00	[ICRA]A4 ISSUER NOT COOPERATING*
NA	Unallocated	Short -term	-	-	-	10.57	[ICRA]A4 ISSUER NOT COOPERATING*
NA	Non-Fund Based	Short -term	-	-	-	6.00	[ICRA]A4 ISSUER NOT COOPERATING*

*Issuer did not co-operate; based on best available information; All figures in Rs. Crore

Source: Prateek Apparels Private Limited

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About ICRA Limited:

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