

## Orient Craft Limited

September 13, 2021

### Rating

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	324.01	<b>CARE BB-; Stable; ISSUER NOT COOPERATING* (Double B Minus; Outlook: Stable ISSUER NOT COOPERATING*)</b>	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB; Stable; (Double B; Outlook: Stable)
Short Term Bank Facilities	700.00	<b>CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)</b>	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>1,024.01 (Rs. One Thousand Twenty-Four Crore and One Lakhs Only)</b>		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated August 17, 2020, placed the rating(s) of Orient Craft Limited (OCL) under the 'issuer non-cooperating' category as OCL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. OCL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated July 03, 2021, July 13, 2021 and July 23, 2021.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

***Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).***

The ratings have been revised on account of non-availability of requisite information. The ratings also consider a decline in scale of operations and net loss reported in FY20 over FY19.

### Detailed description of the key rating drivers

Please refer to PR dated [August 17, 2020](#).

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

Orient Craft Ltd (OCL), promoted by Mr. Sudhir Dhingra and Mr. K.K. Kohli in Feb 1978, is in the business of manufacturing ready to wear garments and home furnishings. The company is one of India's leading manufacturers and exporters of premium ready-to-wear garments. The company exports its products to leading international fashion houses and retail chains, predominantly in the United States and Europe. OCL has established relationships over the years with leading retailers of the world, such as Marks and Spencer's, The Gap Group, Macys Merchandising etc. which have been giving it repeat orders. OCL is also recognized by the Government as a four-star export house.

Brief financials of OCL are tabulated below:

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	2316.95	2039.43
PBILDT	181.20	85.93
PAT	28.94	-131.63
Overall gearing (times)	2.76	1.65
Interest coverage (times)	1.65	0.73

A: Audited

**Status of non-cooperation with previous CRA:** India Ratings has conducted the review on the basis of best available information and classified Orient Craft Limited as “Not Co-operating” vide its press release dated September 30, 2020.

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Complexity level of various instruments rated for this company:** Annexure 3

#### Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Term Loan-Long Term	-	-	March 2026	324.01	CARE BB-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC	-	-	-	175.00	CARE A4; ISSUER NOT COOPERATING*
Fund-based - ST-EPC/PSC	-	-	-	525.00	CARE A4; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information

#### Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Term Loan-Long Term	LT	324.01	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (17-Aug-20) 2)CARE BBB-; Negative (21-May-20)	1)CARE BBB-; Stable (07-Feb-20) 2)CARE BB+; Stable (31-Dec-19)	1)CARE BBB; Stable (11-Feb-19)
2.	Non-fund-based - ST-BG/LC	ST	175.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (17-Aug-20) 2)CARE A3 (21-May-20)	1)CARE A3 (07-Feb-20) 2)CARE A4+ (31-Dec-19)	1)CARE A3+ (11-Feb-19)
3.	Fund-based - ST-EPC/PSC	ST	525.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (17-Aug-20) 2)CARE A3 (21-May-20)	1)CARE A3 (07-Feb-20) 2)CARE A4+ (31-Dec-19)	1)CARE A3+ (11-Feb-19)

\*Issuer did not cooperate; Based on best available information

**Annexure 3: Complexity level of various instruments rated for this Company**

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - ST-EPC/PSC	Simple
2.	Non-fund-based - ST-BG/LC	Simple
3.	Term Loan-Long Term	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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