

## Nakshatra Creations Private Limited

June 16, 2022

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	7.00	<b>CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable ISSUER NOT COOPERATING*)</b>	<b>Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B; Stable; (Single B; Outlook: Stable)</b>
<b>Total Bank Facilities</b>	<b>7.00 (Rs. Seven Crore Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated April 23, 2021, placed the rating(s) of Nakshatra Creations Private Limited (NCPL) under the 'issuer non-cooperating' category as NCPL 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. NCPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated March 09, 2022, March 19, 2022, March 29, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'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 assigned to the bank facilities of NCPL have been revised on account of non-availability of requisite information. The ratings also factored in decline in scale of operations, profitability and deterioration in debt coverage indicators in FY21.

### Detailed description of the key rating drivers

Please refer to PR dated [April 23, 2021](#)

**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

Surat- based (Gujarat) NCPL was incorporated in 2006. It is mainly engaged in the designing and stitching of sarees, salwar suit and lehenga from different types of fabrics; under its own registered brands namely "Nakkashi", "Mehreen", "Nairra" and "Womaniya". NCPL is promoted by Mr. Sizer Lakhani and Mr. Kanav Arora who are having an experience of more than a decade in the same line of business. The designing process includes different types of embroidery work, hand work, stitching etc. NCPL primarily procures the raw material like fabrics and jari from local dealers of Surat while it sells the final product pan-India as well as to merchant exporters. The entity is also marketing through its website for online shopping under the brand name "Nakkashi"

Brief Financials (Rs. crore)	FY20(A)	FY21(A)	FY22(Prov.)
Total operating income	27.29	22.31	NA
PBILDT	2.60	2.75	NA
PAT	0.40	0.24	NA
Overall gearing (times)	2.27	3.07	NA
Interest coverage (times)	1.74	1.52	NA

A: Audited; Prov.: Provisional; NA: Not Available

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Status of non-cooperation with previous CRA:** Acuite (SMERA) has continued the ratings assigned to the bank facilities of NCPL to 'Issuer Not Cooperating' category vide press release dated November 29, 2021 on account of its inability to carry out a review in the absence of the requisite information from the company.

**Any other information:** Not Applicable

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

**Covenants of rated instrument/facility:** Annexure-3

**Complexity level of various instruments rated for this company:** Annexure-4

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

Name of the Instrument	IS IN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	7.00	CARE B-; Stable; 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) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	7.00	CARE B-; Stable; ISSUER NOT COOPERATING *	-	1)CARE B; Stable; ISSUER NOT COOPERATING * (23-Apr-21)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING * (30-Mar-20) 2)CARE BB-; Stable (08-May-19)

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

**Annexure 3: Detailed explanation of the covenants of the rated instruments/facilities:** Not Applicable

**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple

**Annexure 5: Bank Lender Details for this company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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### About CARE Ratings Limited:

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