

**Provogue India Limited**

August 11, 2020

**Ratings**

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term Bank Facilities	218.68	<b>CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING)</b>	Issuer not cooperating; Based on best available information
Short-term Bank Facilities	30.47	<b>CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING)</b>	Issuer not cooperating; Based on best available information
<b>Total</b>	<b>249.15 (Rupees Two hundred forty nine crore and fifteen lakh only)</b>		

*Details of instruments/facilities in Annexure-1*
**Detailed Rationale & Key Rating Drivers**

CARE had, vide its press release dated March 27, 2017, December 05, 2017, and May 20, 2019, placed the ratings of Provogue India Limited (PIL) under the 'issuer non-cooperating' category as PIL had failed to provide information for monitoring of the rating. PIL continues to be non-cooperative despite requests for submission of information through e-mail dated August 05, 2020. 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 rating takes into account delay in servicing of bank loans by the company. The company has been admitted under the Corporate Insolvency Resolution Process as per the Insolvency and Bankruptcy Code, 2016. On October 14, 2019, the Mumbai bench of NCLT passed Liquidation Order against the company under section 33 of IBC, 2016.

**Detailed description of the key rating drivers**

At the time of last rating based on complete required information on October 30, 2015 the following were the rating strengths and weaknesses (updated for the information available on stock exchange and company website):

**Key Rating Weaknesses**
**Ongoing liquidity stress:**

There are ongoing delays in servicing of debt obligations by the company on the back of substantial deterioration in operational and financial performance of the company which has impacted the liquidity position of the company.

**Deterioration in revenues albeit with lower losses**

The company continued to report net losses in FY19 at Rs.63.14 crore (vis-à-vis loss of Rs. 155.48 crore in FY18). Further, the total operating income declined to Rs.72.82 crore in FY19 against Rs.97.59 crore in FY18.

**Analytical approach:** Standalone

**Applicable Criteria**

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

[Criteria on assigning Outlook and Credit Watch to Ratings](#)

[CARE's Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)

[Financial ratios – Non-Financial Sector](#)

<sup>2</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

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

### About the Company

Provogue (India) Limited (PIL), founded in 1997, is engaged in the manufacture, sale and retail of the fashion apparel products and accessories for men and women under its well-known brand 'Provogue'. PIL operates in the lifestyle retail segment through more than 150 stores spread across 80 locations across India. Furthermore, the company has garment manufacturing plants at two locations, namely, Daman (Gujarat) and Baddi (Himachal Pradesh). Also, the company is engaged in the export of fabrics and garments to African countries.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)	FY19 (A)
Total operating income	216.14	97.59	72.82
PBILDT	-142.52	-137.50	-12.44
PAT	-179.81	-155.48	-63.14
Overall gearing (times)	1.09	4.09	-ve
Interest coverage (times)	-ve	-ve	-ve

A: Audited; -ve: Negative

Status of non-cooperation with previous CRA: N.A

Any other information: N.A

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

### 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
Fund-based - LT-Term Loan	-	-	FY18@	58.68	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Cash Credit	-	-	-	102.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-Letter of credit	-	-	-	25.47	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - ST-Bills discounting/ Bills purchasing	-	-	-	5.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-EPC/PSC	-	-	-	58.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

\*Issuer did not cooperate; Based on best available information; @as per original repayment schedule

## 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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	58.68	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (20-May-19)	-	1)CARE D; ISSUER NOT COOPERATING* (05-Dec-17)
2.	Fund-based - LT-Cash Credit	LT	102.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (20-May-19)	-	1)CARE D; ISSUER NOT COOPERATING* (05-Dec-17)
3.	Non-fund-based - ST-Letter of credit	ST	25.47	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (20-May-19)	-	1)CARE D; ISSUER NOT COOPERATING* (05-Dec-17)
4.	Fund-based - ST-Bills discounting/ Bills purchasing	ST	5.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (20-May-19)	-	1)CARE D; ISSUER NOT COOPERATING* (05-Dec-17)
5.	Fund-based - LT-EPC/PSC	LT	58.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D; ISSUER NOT COOPERATING* (20-May-19)	-	1)CARE D; ISSUER NOT COOPERATING* (05-Dec-17)

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

## Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable

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

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-EPC/PSC	Simple
3.	Fund-based - LT-Term Loan	Simple
4.	Fund-based - ST-Bills discounting/ Bills purchasing	Simple
5.	Non-fund-based - ST-Letter of credit	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.

**Contact us**
**Media Contact**

Mradul Mishra

Contact no. – +91-22-6837 4424

Email ID – [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

**Analyst Contact**

Group Head Name – Arunava Paul

Group Head Contact no.- 022 6754 3667

Group Head Email ID- [arunava.paul@careratings.com](mailto:arunava.paul@careratings.com)

**Relationship Contact**

Name: Saikat Roy

Contact no. : 022 6754 3404

Email ID : [Saikat.roy@careratings.com](mailto:Saikat.roy@careratings.com)

**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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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**