

Scotts Garments Limited

July 01, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating	Rating Action
Long-Term Bank Facilities	-	-	Withdrawn
Short Term Bank Facilities	-	-	Withdrawn
Total Facilities	-		

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the rating of 'CARE D; Issuer Not Cooperating' [Single D; ISSUER NOT COOPERATING] assigned to the Bank facilities of Scotts Garments Limited with immediate effect, as the company is undergoing an Insolvency Resolution Process under Hon'ble NCLT. Therefore, it may no longer be useful or necessary for CARE to maintain a rating on the rated entity's obligations.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

Scotts Garments Limited was engaged in manufacturing & export of readymade garments across various categories viz., Menswear, ladies and kids wear for all age group in its product portfolio. The Corporate is currently undergoing a Corporate Insolvency Resolution Process under the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) pursuant to an order of Hon'ble National Company Law Tribunal, Bengaluru Bench dated 13th August, 2018.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	753.73	666.97
PBILDT	104.20	74.85
PAT	7.79	10.06
Overall gearing (times)	1.66	1.67
Interest coverage (times)	1.85	1.86

A: Audited

Status of non-cooperation with previous CRA: ICRA has suspended the rating assigned to SGL in the absence of requisite information.

Any other information: Not Applicable

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Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn
Fund-based - ST-Working Capital Limits	-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC	-	-	-	0.00	Withdrawn

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	-	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (01-Mar-19) 2)CARE D (10-Apr-18)	1)CARE BB; Stable (22-Mar-18)
2.	Fund-based - ST-Working Capital Limits	ST	-	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (01-Mar-19) 2)CARE D (10-Apr-18)	1)CARE A4 (22-Mar-18)
3.	Non-fund-based - ST-BG/LC	ST	-	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (01-Mar-19) 2)CARE D (10-Apr-18)	1)CARE A4 (22-Mar-18)

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. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us**Media Contact**

Mradul Mishra
91-22-6837 4424
mradul.mishra@careratings.com

Analyst Contact

Himanshu Jain
080-46625528
Himanshu.jain@careratings.com

Relationship Contact

Nitin Kumar Dalmia
080-46625555
Nitin.dalmia@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.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**