



Press Release

Nova Textiles Private Limited

December 30 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<u>Complexity Indicator</u>
Long term Bank Facilities	5.53	IVR BBB-/ Negative; ISSUER NOT COOPERATING* (IVR Triple B Minus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	Rating reaffirmed, outlook revised and moved to ISSUER NOT COOPERATING	Simple
Short Term Bank Facilities	50.00	IVR A3 ISSUER NOT COOPERATING* (IVR A Three ISSUER NOT COOPERATING*)	IVR A3 (IVR A Three)	Rating reaffirmed and moved to ISSUER NOT COOPERATING	Simple
Total	55.53	(Rupees Fifty-Five Crore and Fifty-Three Lakh Only)			

* Issuer not cooperating, based on best available information.

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The rating is reaffirmed, and the outlook has revised because of lack of adequate information regarding Nova Textiles Private Limited' performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy. 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.



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Non-cooperation by Issuer:

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated September 30, 2024, October 14, 2024, November 04, 2024, November 18, 2024, November 29, 2024, December 11, 2024, December 16, 2024, December 20, 2024, December 26, 2024 and telephonic follow ups. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential details/information for surveillance exercise. Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics must assign the rating based on the best available information. Accordingly, the bank loan ratings aggregating to INR 55.53 Crore of Nova Textiles Private Limited shall be rated as IVR BBB-/Negative; ISSUER NOT COOPERATING; IVR A3 ISSUER NOT COOPERATING.

Analytical Approach: Standalone Approach

Applicable Criteria:

[Policy on Issuer Not-Cooperation](#)

[Criteria of assigning Rating Outlook Rating](#)

[Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

About the Company

Nova Textiles Private Limited (NTPL) is a part of Ahmedabad based Chiripal Group having a diversified business in the fields of Petrochemicals, Spinning, Weaving, Knitting, Fabric Processing, Chemicals, Infrastructure, BOPP Films and Educational Initiatives.

NTPL is a process house, the company is in the business of dyeing of grey yarn and processing and finishing of denim fabric. The company sells its fabrics under the name of "NOVA".



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Financials (Standalone):

For the year ended/ As on*	(Rs. Crore)	
	31-03-2022	31-03-2023
	Audited	Provisional
Total Operating Income	670.78	627.39
EBITDA	11.27	10.69
PAT	1.94	0.77
Total Debt	48.96	58.72
Tangible Net Worth	58.90	68.74
EBITDA Margin (%)	1.68	1.70
PAT Margin (%)	0.29	0.12
Overall Gearing Ratio (x)	0.76	0.67
Interest Coverage (x)	2.75	2.23

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Brickwork has migrated the ratings of NTPL in the ISSUER NOT COOPERATING category vide its press release dated January 03, 2024, due to not availability of information and lack of cooperation

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long /Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (Dated:	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Date (October 12, 2023)		
1.	Term Loan	Long Term	5.53	IVR BBB- /Negative; Issuer Not Cooperating*	IVR BBB- /Stable	-	-
2.	Overdraft	Short Term	40.00	IVR A3 Issuer Not Cooperating*	IVR A3	-	-
3.	Letter of Credit	Short Term	10.00	IVR A3 Issuer Not Cooperating*	IVR A3		



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*Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations. Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary. For more information visit www.infomerics.com.

<p>Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.</p>
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Annexure 1: Instrument/Facility Details

Name of Facility/Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan		-	-	February 2025	2.66	IVR BBB-/Negative (ISSUER NOT COOPERATING) *
Term Loan		-	-	March 2027	2.87	IVR BBB-/Negative (ISSUER NOT COOPERATING) *
Overdraft		-	-	-	40.00	IVR A3 (ISSUER NOT COOPERATING) *
Letter of Credit		-	-	-	10.00	IVR A3 (ISSUER NOT COOPERATING) *

*Issuer did not cooperate; based on best available information

Annexure 2: Facility wise lender details: Not Applicable.

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

Annexure 4: List of companies considered for consolidated/combined analysis: Not Applicable.

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.