Date: 29.04.2023

REF: SDGIL/BSE/2023-24/11

To,

The Secretary,
BSE Limited,
Corporate Relationship Dept.,
1st Floor, New Trading Ring,
Rotunda Building, PJ Towers, Dalal Street,
Fort Mumbai – 400001, Maharashtra.

Sir:

Ref : Scrip Code :531234

Sub: **Intimation in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Credit Rating.**

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, CRISIL Ratings Limited vide its report dated 29th April, 2023 has given its credit rating for Bank facilities as under:

Facilities	**Amount (Rs. Crore)**	**Rating**	**Rating Action**
Long Term	26.9	CRISIL BB-/Stable	Upgraded from 'CRISIL B+/Stable
Short Term	4	CRISIL A4+	Upgraded from 'CRISIL A4'

This is for your information and record.

Thanking You

For Scoobee Day Garments (India) Limited

ALPHONSA JOSE Digitally signed by ALPHONSA JOSE Date: 2023.04.29 15:42:44 +05'30'

Alphonsa Jose
Company Secretary & Compliance Officer

Rating Rationale

April 29, 2023 | Mumbai

Scoobee Day Garments India Limited

Ratings upgraded to 'CRISIL BB-/Stable/CRISIL A4+'; Rated amount enhanced

Rating Action

Total Bank Loan Facilities Rated	**Rs.30.9 Crore (Enhanced from Rs.25 Crore)**
Long Term Rating	**CRISIL BB-/Stable (Upgraded from 'CRISIL B+/Stable')**
Short Term Rating	**CRISIL A4+ (Upgraded from 'CRISIL A4')**

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has upgraded the ratings on the bank facilities of Scoobee Day Garments India Limited (SDGIL) to **'CRISIL BB-/Stable/CRISIL A4+'** from 'CRISIL B+/Stable/CRISIL A4'

The rating upgrade reflects significant growth in the business profile till Q3, FY23. As per Q3 result, revenue has increased from Rs 27.97 crore in Q3 FY22 to be around Rs 36.93 crore in Q3 FY23 supported by continuous order flow. Revenue is expected to grow at a range of 10-15% over the medium term driven by promoter's extensive experience. Operating margin is also expected to sustain at a range of 20-22% as per Q3 FY23 since company is focusing on manufacturing kids wear which has better margins in RMG Sector. Financial risk profile is expected to improve with steady accretion to reveres, growth in the scale of operation. Debt protection metrics is supported by healthy interest coverage ratio of 2.27 as per FY22. Liquidity is expected to be adequate considering low bank line utilization and support of unsecured loans or intercorporate loans from Kitex- Anna Group

The rating continues to reflect the extensive industry experience of the promoters and funding support from them and moderate debt profile. These rating strengths are partially offset by moderate scale of operations and weak capital structure.

Analytical Approach

As on March 31, 2022, unsecured loan of Rs. 44.69 crore is being treated as neither equity nor debt as it is expected to remain in over near term.

Key Rating Drivers & Detailed Description

Strengths:

Extensive industry experience of the promoters and funding support from them: SDGIL is a part of the Anna-Kitex group, which is one of the oldest business conglomerates in Kerala, with businesses spanning from aluminium products, textiles and spices to trading. The group, founded by Mr M.C. Jacob in 1968, is currently managed by Mr Boby M. Jacob. SDGIL was taken over by the present management in fiscal 2018. Furthermore, the company's liquidity is supported by timely, need-based funds extended by the promoter and group companies.

Moderate Debt Protection Metrices: The company has moderate debt protection metrices marked by healthy interest coverage ratio of 2.38 times and NCATD of 0.20 times respectively as per fiscal year 2022. CRISIL Ratings believes that Scoobee Day Garments India Limited's financial profile will improve over the medium term with support from the unsecured loans from the group.

Weakness:
Moderate scale of operations: Revenue increased from Rs. 26.10 crores in fiscal 2021 to over Rs. 42.75 crores in FY22 and is expected to grow in FY23. Company has started their export operations in FY22. The scale remains moderate and is constrained because of nascent stage of operations with competition in the export market.

Weak capital structure: Capital structure is marked by weak gearing and TOL/TNW at 0.89 times as per FY22 and is expected to be leveraged marked by negative net worth and gearing.

Liquidity: Adequate
Bank limit utilization is low at around 10% percent for the past twelve months ended Feb 2023. Cash accruals are expected to be above Rs 6 crores which are sufficient against repayment obligation of Rs 5.78 crore over the medium term. Current ratios is expected to be at 1.66 times as of March31, 2023. The promoters are likely to extend support in the form of equity and unsecured loans to meet its working capital requirements and repayment obligations. As of FY22 unsecured loans or intercorporate loans from Kitex – Anna Group is of Rs 44.6 crores and is expected to continue in the business over the medium term. The unsecured loan is expected to get repaid only when the business starts to generate excess cash flow over and above in few years' times.

Outlook: Stable
CRISIL Ratings believes SDGIL will continue to benefit from the extensive experience of its promoter and established relationships with clients

Rating Sensitivity Factors
Upward factors
- Significant increase in revenue and sustenance of operating margin of more than 23%
- Improvement in the financial risk profile including capital structure

Downward factors
- Decline in revenue or operating margin less than 15%
- Stretch in the working capital cycle, resulting in weakening of the liquidity profile

About the Company
SDGIL is a public limited company and was originally incorporated on December 9, 1994. Subsequently, during fiscal 2018, SDGIL was taken over by the present management, belonging to the Kizhakkambalam Anna group of companies. In fiscal 2019, the company acquired a ready-to-use textile unit at Karur, Tamil Nadu, and is currently engaged in production of apparel and readymade garments. SDGIL also started aluminum roofing sheet production from fiscal 2019

Key Financial Indicators

As on/for the period ended March 31	Unit	2022	2021
Operating income	Rs crore	42.75	26.10
Reported profit after tax	Rs crore	3.53	-4.45
PAT margins	%	8.25	-17.03
Adjusted Debt/Adjusted Networth	Times	-4.10	-2.58
Interest coverage	Times	2.27	0.22

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs. Cr)	Complexity Level	Rating assigned with outlook
NA	Cash Credit	NA	NA	NA	9	NA	CRISIL BB-/Stable
NA	Packing Credit	NA	NA	NA	4	NA	CRISIL A4+
NA	Proposed Working Capital Facility	NA	NA	NA	0.9	NA	CRISIL BB-/Stable
NA	Proposed Working Capital Facility	NA	NA	NA	2	NA	CRISIL BB-/Stable
NA	Term Loan	NA	NA	Dec-2027	10	NA	CRISIL BB-/Stable
NA	Working Capital Loan	NA	NA	Dec-2025	5	NA	CRISIL BB-/Stable

Annexure - Rating History for last 3 Years

	Current			2023 (History)		2022		2021		2020		Start of 2020
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT/ST	30.9	CRISIL BB-/Stable / CRISIL A4+		--	23-02-22	CRISIL B+/Stable / CRISIL A4		--	05-11-20	CRISIL B+/Stable	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	9	Axis Bank Limited	CRISIL BB-/Stable
Packing Credit	4	The Federal Bank Limited	CRISIL A4+
Proposed Working Capital Facility	0.9	Not Applicable	CRISIL BB-/Stable
Proposed Working Capital Facility	2	Not Applicable	CRISIL BB-/Stable
Term Loan	10	Axis Bank Limited	CRISIL BB-/Stable
Working Capital Loan	5	The Federal Bank Limited	CRISIL BB-/Stable

This Annexure has been updated on 29-Apr-23 in line with the lender-wise facility details as on 01-Feb-23 received from the rated entity.

Criteria Details

Links to related criteria
CRISILs Approach to Financial Ratios
Rating criteria for manufaturing and service sector companies
CRISILs Bank Loan Ratings - process, scale and default recognition
Assessing Information Adequacy Risk

Media Relations	Analytical Contacts	Customer Service Helpdesk
Aveek Datta Media Relations **CRISIL Limited** M: +91 99204 93912 B: +91 22 3342 3000 AVEEK.DATTA@crisil.com **Prakruti Jani** Media Relations **CRISIL Limited** M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com **Rutuja Gaikwad** Media Relations **CRISIL Limited** B: +91 22 3342 3000 **Rutuja.Gaikwad@ext-crisil.com**	Jayashree Nandakumar Director **CRISIL Ratings Limited** B:+91 40 4032 8200 jayashree.nandakumar@crisil.com Sajesh Kv Team Lead **CRISIL Ratings Limited** B:+91 40 4032 8200 sajesh.kv@crisil.com EKPARNA BAG Rating Analyst **CRISIL Ratings Limited** B:+91 40 4032 8200 EKPARNA.BAG@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com For Analytical queries: ratingsinvestordesk@crisil.com

Note for Media:
This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL Ratings. However, CRISIL Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About CRISIL Ratings Limited (A subsidiary of CRISIL Limited, an S&P Global Company)

CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

CRISIL Ratings Limited ('CRISIL Ratings') is a wholly-owned subsidiary of CRISIL Limited ('CRISIL'). CRISIL Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: TWITTER | LINKEDIN | YOUTUBE | FACEBOOK

CRISIL PRIVACY NOTICE

CRISIL respects your privacy. We may use your contact information, such as your name, address and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com.

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') that is provided by

CRISIL Ratings Limited ('CRISIL Ratings'). To avoid doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this report does not create a client relationship between CRISIL Ratings and the user.

We are not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing our report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Ratings are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL Ratings assumes no obligation to update its opinions following publication in any form or format although CRISIL Ratings may disseminate its opinions and analysis. The rating contained in the report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way. CRISIL Ratings or its associates may have other commercial transactions with the entity to which the report pertains.

Neither CRISIL Ratings nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively, 'CRISIL Ratings Parties') guarantee the accuracy, completeness or adequacy of the report, and no CRISIL Ratings Party shall have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. EACH CRISIL RATINGS PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Ratings Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. Public ratings and analysis by CRISIL Ratings, as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any), are made available on its website, www.crisilratings.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee - more details about ratings by CRISIL Ratings are available here: www.crisilratings.com.

CRISIL Ratings and its affiliates do not act as a fiduciary. While CRISIL Ratings has obtained information from sources it believes to be reliable, CRISIL Ratings does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and/or relies on in its reports. CRISIL Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CRISIL Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For details please refer to: https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html.

Rating criteria by CRISIL Ratings are generally available without charge to the public on the CRISIL Ratings public website, www.crisilratings.com. For latest rating information on any instrument of any company rated by CRISIL Ratings, you may

contact the CRISIL Ratings desk at crisilratingdesk@crisil.com, or at (0091) 1800 267 1301.

This report should not be reproduced or redistributed to any other person or in any form without prior written consent from CRISIL Ratings.

All rights reserved @ CRISIL Ratings Limited. CRISIL Ratings is a wholly owned subsidiary of CRISIL Limited.

CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: https://www.crisil.com/en/home/our-businesses/ratings/credit-ratings-scale.html