SMERA BOND RATINGS
BONDS • COMMERCIAL PAPER • BANK LOANS

SMERA

Press Release

Kabadi Shankarsa & Co

29 March 2018

Rating Update

Total Bank Facilities Rated	Rs. 27.00 Cr. #
Long Term Rating	SMERA BB+ Issuer not co-operating*
Short Term Rating	SMERA A4+ Issuer not co-operating*

 # Refer Annexure for details
** The issuer did not co-operate; based on best available information.*

SMERA has reviewed the long-term rating of '**SMERA BB+**' **(read as SMERA double B plus)** and short term rating of **'SMERA A4+' (read as SMERA A four plus)** on the Rs. 27.00 crore bank facilities of Kabadi Shankarsa & Co. (KSC). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower

SMERA has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit required documents before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

- Default Recognition - https://www.smera.in/criteria-default.htm
- Manufacturing Entities - https://www.smera.in/criteria-manufacturing.htm

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). SMERA endeavoured to gather information about the entity/industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information on which the indicative credit rating is based.

About the rated entity

Kabadi Shankarsa & Co (KSC) is led by six partners (Karta of 6 HUFs), the successors of the late Mr. Kabadi Shankarsa. The firm is engaged in the manufacturing of silk fabrics, cotton cushion covers, pillow covers, bed sheets, etc. It exports around 85 per cent of its products to Hong Kong, UK, US and Europe. The firm caters to reputed clients including IKEA, H&M, Next, Wal-Mart and Kmart.

For FY2015-16, KSC reported profit after tax (PAT) of Rs. 3.02 cr on operating income of Rs. 128.84 cr as against profit after tax (PAT) of Rs. 3.01 cr on operating income of Rs. 94.48 cr in the previous year. The net worth stood at Rs. 24.89 cr as on 31 March, 2016 against Rs. 21.50 cr a year earlier.

Rating history (last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
08-March-2017	Term Loans	Long Term	2.50	SMERA BB+ / Stable (Reaffirmed)
	Term Loans	Long Term	2.00	SMERA BB+ / Stable (Reaffirmed)
	Term Loans	Long Term	3.50	SMERA BB+ / Stable (Reaffirmed)
	Packing Credit	Short Term	18.00	SMERA A4 (Reaffirmed)
	Letter of Credit	Short Term	1.00	SMERA A4 (Reaffirmed)
13-Jan-2016	Packing Credit	Short Term	18.00	SMERA A4 (Assigned)
	Term Loans	Long Term	2.00	SMERA BB+ / Stable (Assigned)
	Term Loans	Long Term	2.70	SMERA BB+ / Stable (Assigned)
	Term Loans	Long Term	3.50	SMERA BB+ / Stable (Assigned)
	Proposed Working Capital Demand Loan	Long Term	0.80	SMERA BB+ / Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Term Loans	Not Applicable	Not Applicable	Not Applicable	2.50	SMERA BB+ Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	2.00	SMERA BB+ Issuer not co-operating*

Term Loans	Not Applicable	Not Applicable	Not Applicable	3.50	SMERA BB+ Issuer not co-operating*
Packing Credit	Not Applicable	Not Applicable	Not Applicable	18.00	SMERA A4+ Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	SMERA A4+ Issuer not co-operating*

**The issuer did not co-operate; based on best available information.*

Contacts

Analytical	Rating Desk
Suman Chowdhury President - SMERA Bond Ratings Tel: +91-22-6714 1107 suman.chowdhury@smera.in Aishwarya Phalke, Analyst - Rating Operations Tel: +91-22-6714 1156 aishwarya.phalke@smera.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 varsha.bist@smera.in

ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, D&B and leading public and private sector banks in India. SMERA is registered with SEBI, accredited by RBI as an External Credit Assessment Institution (ECAI), under BASEL-II norms for undertaking Bank Loan Ratings. SMERA Bond Ratings is a division of SMERA Ratings Limited responsible for ratings of bank facilities and capital market/money market debt instruments such as Bonds, Debentures, Commercial Papers, Fixed Deposits, Certificate of Deposits, etc. For more details, please visit www.smera.in.

Disclaimer: *A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.*