

Press Release

Kabadi Shankarsa & Co

September 02, 2020



Rating Update

Total Bank Facilities Rated*	Rs. 27.00 Cr. #
Long Term Rating	ACUITE BB- (Downgraded from ACUITE BB/ Stable) Issuer not co-operating*
Short Term Rating	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*

Refer Annexure for details`

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

Acuité has downgraded the long term rating of Kabadi Shankarsa & Co. to '**ACUITE BB-**' (read as Acuité double B minus) from '**ACUITE BB**' (read as Acuité double B) and the short term rating to '**ACUITE A4**' (read as Acuité A four) from '**ACUITE A4+**' (read as Acuité A four plus) on the Rs. 27.00 crore bank facilities. The rating downgrade is on account of information risk.

Kabadi Shankarsa & Co (KSC) is led by six partners (Karta of 6 HUFs), the successors of late Mr. Kabadi Shankarsa. The firm is engaged in the manufacturing of silk fabrics, cotton cushion covers, pillow covers, bedsheets, 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, Walmart and Kmart.

Non-cooperation by the issuer/borrower

Acuité 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 such information before the due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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

Applicable Criteria

- Default Recognition – <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities – <https://www.acuite.in/view-rating-criteria-59.htm>
- Financial Ratios And Adjustments – <https://www.acuite.in/view-rating-criteria-53.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). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)

CARE, vide its press release dated April 29, 2020, has denoted the rating of Kabadi Shankarsa & Co. as 'CARE BB-/Stable/A4; ISSUER NOT-COOPERATING' on account of best available information.

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
24-June-2019	Cash Credit	Long Term	4.00	ACUITE BB/Stable (Assigned)
	Packing Credit	Short Term	14.00	ACUITE A4+ (Reaffirmed)
	Proposed Long Term	Long Term	8.00	ACUITE BB/Stable (Assigned)
	Proposed Short Term	Short Term	1.00	ACUITE A4+ (Assigned)
29-Mar-2018	Term Loan	Long Term	2.50	ACUITE BB+ (Indicative)
	Term Loan	Long Term	2.00	ACUITE BB+ (Indicative)
	Term Loan	Long Term	3.50	ACUITE BB+ (Indicative)
	Packing Credit	Short Term	18.00	ACUITE A4+ (Indicative)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Indicative)
08-Mar-2017	Term Loan	Long Term	2.50	ACUITE BB+/Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BB+/Stable (Reaffirmed)
	Term Loan	Long Term	3.50	ACUITE BB+/Stable (Reaffirmed)
	Packing Credit	Short Term	18.00	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Reaffirmed)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Packing Credit	Not Applicable	Not Applicable	Not Applicable	14.00	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE BB- (Downgraded from ACUITE BB/Stable) Issuer not co-operating*
Proposed Long Term	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE BB- (Downgraded from ACUITE BB/Stable) Issuer not co-operating*
Proposed Short Term	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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