

Press Release

Sobhagia Sales Private Limited

June 02, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	27.78	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	27.78	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) on the Rs. 27.78 crore bank facilities of Sobhagia Sales Private Limited (SSPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk

About the Company

SSPL was established in 1993 by Mr. Raj Avasthi and Mr. Munish Avasthi. The company, a part of the Sportking Group, is engaged in manufacturing and trading of hosiery and readymade garments for men, women, and kids at its unit in Ludhiana (Punjab). Its main products are pullovers, tracksuits, cardigans, infant wear among others. It sells its products through its 85 outlets including 65 own stores. SSPL's products are sold under its brands, 'Sportking', 'Mentor' 'Sublime' and 'Woodburn'. The installed manufacturing capacity of the company is 6000 pieces per day for knitted cloth

Non-cooperation by the issuer/borrower:

Acuite 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.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies

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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite 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.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

Not Applicable

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Status of non-cooperation with previous CRA

None

Any other information

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

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
27 Feb 2021	Cash Credit	Long Term	10.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	4.03	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	13.75	ACUITE BB (Downgraded and Issuer not co-operating*)
16 Dec 2019	Proposed Long Term Loan	Long Term	13.75	ACUITE BB+ (Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	4.03	ACUITE BB+ (Issuer not co-operating*)
24 Sep 2019	Proposed Long Term Loan	Long Term	13.75	ACUITE BBB- (Issuer not co-operating*)
	Term Loan	Long Term	4.03	ACUITE BBB- (Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BBB- (Issuer not co-operating*)
04 Jul 2018	Term Loan	Long Term	4.03	ACUITE BBB- (Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BBB- (Issuer not co-operating*)

	Proposed Long Term Loan	Long Term	13.75	ACUITE BBB- (Issuer not co-operating*)
12 May 2017	Term Loan	Long Term	4.03	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Proposed Long Term Loan	Long Term	13.75	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
31 Mar 2016	Cash Credit	Long Term	10.00	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	6.66	ACUITE BB+ Stable (Assigned)
	Proposed Working Capital Demand Loan	Long Term	0.34	ACUITE BB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB- Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	13.75	ACUITE BB- Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	4.03	ACUITE BB- Downgraded Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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