

Press Release

SK Age Exports

March 02, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	18.50	-	ACUITE A4 Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	18.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has downgraded the short-term rating to '**ACUITE A4** (read as **ACUITE A four**) from '**ACUITE A4+** (read as **ACUITE A four plus**) on the Rs. 18.50 Crore bank facilities of SK Age Exports (SKAE). This rating continues to be an indicative rating and is based on the best available information and is downgraded on account of information risk.

About the Company

Mumbai-based SKAE, incorporated in 1990, is part of S K Group established in 1932 by Mr. Sevantilal K. Shah. The firm is engaged in the trading of anti-malarial drugs and active pharmaceutical ingredients (API). SKAE primarily exports to USA, UK and African countries such as Ghana, Tanzania and Nigeria, among others. The day-to-day operations are managed by Mr. Bharat Shah and Mr. Samir Shah.

About the Group

Established in 1932, the S K Group consists of S Kant Healthcare Limited (SKHL) and S K Age Export (SKAE). The group specialises in the business of pharmaceuticals. SKHL manufactures anti-malarial drugs and active pharmaceutical ingredients (API) at Vapi, Gujarat. SKAE was established in 1990 by Mr. Bharat Shah and Mr. Samir Shah and is into trading and exporting of formulations and active pharmaceutical ingredients (API).

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.

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 has endeavoured 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.

Rating Sensitivity

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

Material Covenants

Not applicable.

Liquidity Position

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

Outlook

Not applicable.

Status of non-cooperation with previous CRA

None.

Any other information

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

Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
09 Dec 2020	Letter of Credit	Short Term	1.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	1.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Bills Discounting	Short Term	7.50	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Bills Discounting	Short Term	7.50	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	1.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	0.50	ACUITE A4+ (Downgraded and Issuer not co-operating*)
25 Sep 2019	Letter of Credit	Short Term	1.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Bills Discounting	Short Term	7.50	ACUITE A2+ (Upgraded from ACUITE A2)
	Letter of Credit	Short Term	1.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Bills Discounting	Short Term	7.50	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee	Short Term	1.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee	Short Term	0.50	ACUITE A2+ (Upgraded from ACUITE A2)
21 Aug 2019	Bills Discounting	Short Term	7.50	ACUITE A2 (Issuer not co-operating*)
	Letter of Credit	Short Term	1.00	ACUITE A2 (Issuer not co-operating*)
	Bank Guarantee	Short Term	1.00	ACUITE A2 (Issuer not co-operating*)
	Letter of Credit	Short Term	1.00	ACUITE A2 (Issuer not co-operating*)
	Bank Guarantee	Short Term	0.50	ACUITE A2 (Issuer not co-operating*)
	Bills Discounting	Short Term	7.50	ACUITE A2 (Issuer not co-operating*)
02 Jun 2018	Bills Discounting	Short Term	7.50	ACUITE A2 (Reaffirmed)
	Bills Discounting	Short Term	7.50	ACUITE A2 (Reaffirmed)
	Bank Guarantee	Short Term	1.00	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee	Short Term	0.50	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	1.00	ACUITE A2 (Reaffirmed)
	Bills Discounting	Short Term	7.50	ACUITE A2 (Assigned)
	Bills Discounting	Short Term	7.50	ACUITE A2 (Assigned)
		Short		

02 Mar 2017	Bank Guarantee	Term	1.00	ACUITE A2 (Assigned)
	Letter of Credit	Short Term	1.00	ACUITE A2 (Assigned)
	Letter of Credit	Short Term	1.00	ACUITE A2 (Assigned)
	Bank Guarantee	Short Term	0.50	ACUITE A2 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
Union Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
HDFC Bank Ltd	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	7.50	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
Union Bank of India	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	7.50	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
HDFC Bank Ltd	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)
Union Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4 Downgraded Issuer not co-operating* (from ACUITE A4+)

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in
Aruna Ganesh Analyst-Rating Operations Tel: 022-49294065 aruna.ganesh@acuite.in	

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 8,850 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 KanjurMarg, Mumbai.

Disclaimer: An Acuité 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. Acuité 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, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité 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. Acuité 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.acuite.in) for the latest information on any instrument rated by Acuité.