

Press Release

Varsha Fashion LLP

December 21, 2020



Rating Update

| | |
|-------------------------------------|---|
| Total Bank Facilities Rated* | Rs. 18.50 Cr.# |
| Long Term Rating | ACUITE BB (Downgraded from ACUITE BB+) 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 to '**ACUITE BB**' (**read as ACUITE double B**) from '**ACUITE BB+**' (**read as ACUITE double B plus**) on the Rs. 18.50 crore bank facilities of Varsha Fashion LLP (VF). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

VF was incorporated in 1995 as a private limited company by the name 'Varsha Fashion Private Limited' having Mr. Navinchandra Kapadia, Mr. Dhirendra Kumar Kapadia and Mr. Jigneshkumar Kapadia as promoters of the company. Later, the constitution was changed to Limited Liability Partnership in 2013. The firm is engaged in the manufacturing of designer sarees, dress materials and lehengas. The day-to-day operations are led by Mr. Navinchandra Kapadia, Mr. Dhirendra Kumar Kapadia, Mr. Jigneshkumar Kapadia and Mr. Parshawa Kapadia. The manufacturing unit is located at Ahmedabad.

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.

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>

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)

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.

Rating History (Up to last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr) | Ratings/Outlook |
|----------------|---------------------------------|-----------|-----------------|--|
| 20-Sept -2019 | Cash Credit | Long Term | 11.53 | ACUITE BB+ Issuer not co-operating* |
| | Term Loan | Long Term | 6.97 | ACUITE BB+ Issuer not co-operating* |
| 03 July, 2018 | Cash Credit | Long Term | 11.53 | ACUITE BB+ Issuer not co-operating* |
| | Term Loan | Long Term | 6.97 | ACUITE BB+ Issuer not co-operating* |
| 24 April, 2017 | Cash Credit | Long Term | 11.53 | ACUITE BB+/ Stable (Assigned) |
| | Term Loan | Long Term | 6.97 | ACUITE BB+/ Stable (Assigned) |

*Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings/Outlook |
|------------------------|------------------|----------------|----------------|-------------------------------|---|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 11.53 | ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating* |
| Term Loan | Not Available | Not Applicable | Not Available | 6.97 | ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating* |

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

Contacts

| Analytical | Rating Desk |
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| Aditya Gupta Head- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in | Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in |
| Saurabh Rane Analyst - Rating Operations Tel: 022-49294034 saurabh.rane@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 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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