



Press Release

Varsha Fashion LLP

March 22, 2022

Rating Downgraded and Issuer not co-operating

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Total Withdrawn Quantum (Rs.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

About the Company

VF was incorporated in 1995 as a private limited company by the name 'Varsha Fashion Private Limited' having Mr. Navinchandra Kapadia, Mr. Direndra 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:

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 is, therefore, being 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 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

- 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
21 Dec 2020	Cash Credit	Long Term	11.53	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	6.97	ACUITE BB (Downgraded and Issuer not co-operating*)
20 Sep 2019	Term Loan	Long Term	6.97	ACUITE BB+ (Issuer not co-operating*)
	Cash Credit	Long Term	11.53	ACUITE BB+ (Issuer not co-operating*)
03 Jul 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 Apr 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

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	11.53	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	6.97	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)

Contacts

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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 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.

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