

Press Release

Shamsons Industries

August 14, 2018



Rating Update

Total Bank Facilities Rated*	Rs. 8.50 Cr.#
Long Term Rating	ACUITE BB Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has reviewed long-term rating of '**ACUITE BB**' (**read as ACUITE double B**) and short-term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs.8.50 crore bank facilities of Shamsons Industries (SI). This rating is now an indicative rating and is based on best available information.

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 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-17.htm>
- Manufacturing Entities-<https://www.acuite.in/view-rating-criteria-4.htm>
- Consolidation Of Companies-<https://www.acuite.in/view-rating-criteria-22.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 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:

Shamsons Industries (SI) was formed as a partnership firm in 2005 and started commercial operations in 2008 by Mr. Deepak Batra and Mr. Varun Batra. The firm is engaged in the manufacture of shoes, slippers and sandals at their manufacturing unit in Roorkee (Uttarakhand). The firm has manufacturing capacity of 100,000 pairs per shift per month.

To arrive at the ratings, Acuité has combined the business and financial risk profiles of SI and Shamsons Polymers Private Limited (SPPL), together referred to as the 'Shamsons Group'. The consolidation is in view of the significant business synergies, common management and significant financial linkages.

In FY2015-16, the group has achieved the operating income of Rs.43.52 crore with the Profit After Tax (PAT) of Rs.1.36 crore as compared to the operating income of Rs.62.10 crore with PAT of Rs.1.46 crore a year earlier.

About the Group:

Shamsons group formed by Mr. Deepak batra and is engage in manufacturing of sports and casual shoes, sandals and floater.

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 (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
11-Jul-2017	Cash Credit	Long Term	6.00	ACUITE BB/Stable (Assigned)
	Letter of Credit	Short Term	1.50	ACUITE A4+ (Assigned)
	Proposed Facility	Long Term	0.50	ACUITE BB/Stable (Assigned)
	Proposed Facility	Short Term	0.50	ACUITE A4+ (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	6.00	ACUITE BB Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.50	ACUITE A4+ Issuer not co-operating*
Proposed Facility	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE BB Issuer not co-operating*
Proposed Facility	Not Applicable	Not Applicable	Not Applicable	0.50	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 (Erstwhile SMERA Ratings 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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